

Friday, October 18, 2019

**4:00pm
SUB 6-06**

We would like to respectfully acknowledge that our University and our Students' Union are located on Treaty 6 Territory. We are grateful to be on Cree, Dene, Saulteaux, Métis, Blackfoot, and Nakota Sioux territory; specifically the ancestral space of the Papaschase Cree. These Nations are our family, friends, faculty, staff, students, and peers. As members of the University of Alberta Students' Union we honour the nation-to-nation treaty relationship. We aspire for our learning, research, teaching, and governance to acknowledge and work towards the decolonization of Indigenous knowledges and traditions.

AGENDA (FC-2019-08)

- 2019-08/1** **INTRODUCTION**
- 2019-08/1a** **Call to Order**
- 2019-08/1b** **Approval of Agenda**
- 2019-08/1c** **Approval of Minutes**
- 2019-08/1d** **Chair's Business**
- 2019-08/2** **QUESTION/DISCUSSION PERIOD**
- 2019-08/3** **COMMITTEE BUSINESS**
- 2019-08/3a** **STATT MOVES** to review and approve the release of the Campus Food Bank dedicated fee for the 2019-20 year.
- 2019-08/4** **INFORMATION ITEMS**
- 2019-08/4a** Finance Committee Minutes, (FC-2019-07-M) - Friday, October 4, 2019.

See FC-2019-08.01.
- 2019-08/4b** September Programs Report.

See FC-2019-08.02.
- 2019-08/4c** (New) CoA Draft Budget - 2019/2020.

See FC-2019-08.03.
- 2019-08/4d** Campus Food Bank Society - Financial Statements.

See FC-2019-08.04.

2019-08/4e 2017 to 2020, Signed Lease.

See FC-2019-08.05.

2019-08/5 **ADJOURNMENT**

2019-08/5a **Next Meeting:** Friday, November 1, 2019 @ 4:00PM in SUB 6-06.



University of Alberta Students' Union

FINANCE COMMITTEE

Friday, October 4, 2019

4:00pm
SUB 6-06

We would like to respectfully acknowledge that our University and our Students' Union are located on Treaty 6 Territory. We are grateful to be on Cree, Dene, Saulteaux, Métis, Blackfoot, and Nakota Sioux territory; specifically the ancestral space of the Papaschase Cree. These Nations are our family, friends, faculty, staff, students, and peers. As members of the University of Alberta Students' Union we honour the nation-to-nation treaty relationship. We aspire for our learning, research, teaching, and governance to acknowledge and work towards the decolonization of Indigenous knowledges and traditions.

ATTENDANCE

NAME	PROXY	PRESENT	SUBMISSION OF WRITTEN FEEDBACK (IF ABSENT)
Samir Esmail		N	
Talia Dixon		N	
Chris Beasley		Y	
Amlan Bose		Y	
Phoebe Marinakis		N	
David Draper		Y	
Abigail Isaac		N	
Luke Statt (chair)		Y	
Jared Larsen		Y	
Amber Sayed		N	

AGENDA (FC-2019-07)

- 2019-07/1** **INTRODUCTION**
- 2019-07/1a** **Call to Order**
- 2019-07/1b** **Approval of Agenda**
DRAPER/BOSE MOVED to approve the agenda.
CARRIED

2019-07/1c

Approval of Minutes

BOSE/LARSEN MOVED to approve the minutes of FC-2019-05-M.
CARRIED

2019-07/1d

Chair's Business

STATT: Noted that the Committee should expect to soon hear from dedicated fee unit recipients who will be seeking to receive their collected fees.

2019-07/2

QUESTION/DISCUSSION PERIOD

2019-07/2a

The current FACRA space agreement contract negotiations.

STATT: Noted that Standing Orders empower the Committee to participate in the space agreement contract negotiations for First Alberta Campus Radio Association which holds the broadcast licence for CJSR. Determined to meet with the FACRA leadership on Monday to finalize the agreement.

DRAPER: Inquired into whether there exists a conflict of interest given that he serves as a member of the FACRA Board.

STATT: Responded in the negative.

BOSE: Suggested that Draper can engage in these discussions but should note vote in relation to this issue.

DRAPER: Noted that the FACRA Board expressed concern at the vagueness of a new proposed clause regarding re-negotiating the space lease in the event of the Alberta Government legislation for the creation of voluntary student unions.

STATT: Clarified that he had sent the Board a preliminary clause which had some vagueness but that he corrected this in the updated contract which reads "In the event implementation of anti-student union main policies by the provincial government, the University of Alberta Students' Union reserves the right to initiate a renewal of the lease under revised terms and conditions one month after the announcement of such policy by the government". Confirmed that the rental costs FACRA pays are now curved and indexed to the cost of inflation. Determined to discuss with FACRA the potential of removing Section 3(b) which concerns terminating the lease subject to a change in the status of their fee.

BEASLEY: Inquired into whether the contract should take into account any legislative change in the federal government.

STATT: Responded in the negative as education is outside the federal jurisdiction.

LARSEN: Responded in the negative as the clause would apply whether change occurred provincially or federally given that there is not a material difference between these public authorities in this context.

DRAPER: Expressed concern at the use of the term “announcement” as it could take the Alberta Government years to complete their reform of the Post Secondary Learning Act. Proposed using the term “tabling” alternatively.

LARSEN: Considered that it would be prudent to use the term “announcement” as it would allow the Students’ Union to renegotiate the lease with FACRA in the interim between the announcement of a policy change and the implementation of the change. Suggested that, thereafter, the Students’ Union could set new terms for the lease on the same date that new provincial legislation takes effect.

DRAPER: Expressed concern at renegotiating a lease on the basis of a policy announcement given that the government cannot assume its legislation will become law and, therefore, cannot determine the date of its implementation prior to the conclusion of the bill to law process.

STATT: Noted that, had the timelines been aligned, the Committee could have been engaged in the process of renewing the Gateway lease agreement.

2019-07/3

COMMITTEE BUSINESS

2019-07/7a

STATT/LARSEN MOVED to review and approve the release of the Aboriginal Student Council's dedicated fee for the 2019-20 year.

STATT: Confirmed that Councillor Sunday, pursuant to Bylaw 6100, provided the Committee with information it requires to approve the release of the Aboriginal Student Council's dedicated fee unit funds for the 2019-20 year. Outlined that this information includes a description of the fee, the amount of the fee, whether the fee increases and by how much, whether the fee is opt out, the next scheduled plebiscite date, and whether part time, off campus, and Augustana students are required to pay the fee. Noted that, in addition, Sunday provided a budget for the disbursement of funds. Noted that the Committee, next year, will evaluate the spending of the Aboriginal Student Council.

CARRIED

2019-07/7b

STATT/DRAPER MOVED to appoint two members of the Finance Committee to the Student Group Granting Adjudication Committee for the 2019-20 year.

DRAPER/BEASLEY MOVED to amend the motion to read “to appoint two members of the Finance Committee to the Student Group Granting Adjudication Committee for the 2019-20 year stat.”

CARRIED

STATT: Outlined that there are twelve grants which require review within three weeks. Noted that the Adjudication Committee meets to determine the winners in a multi-hour meeting after its members have evaluated the applicants.

DRAPER nominated BEASLEY: declined.
 LARSEN nominated DRAPER: declined.
 LARSEN nominated LARSEN: accepted.

STATT: Determined to nominate the remaining non-present members of the Committee via email.

LARSEN is declared appointed to Student Group Granting Adjudication Committee.

2019-07/7c **STATT/LARSEN MOVED** to ratify Student Group Committee’s awards adjudications for the 2019-2020 year as follows:
 Student Group Progress Award: Women in Science and Engineering
 Student Group of the Year Award: Muslim Students Association
 Most Promising New Group Award: Active Minds
 Best Event of the Year Award: TEDx UAlberta
 Community Outreach Award: Heart of the City Music Program

2019-07/4 **INFORMATION ITEMS**

2019-07/4a Finance Committee Minutes, (FC-2019-05-M) - Monday, September 6, 2019.

See FC-2019-07.01.

2019-07/5 **ADJOURNMENT**
 STATT: Adjourned the meeting at 4:36pm.

2019-07/5a **Next Meeting:** Friday, September 20, 2019 @ 4:00PM in SUB 6-06.

SUMMARY OF MOTIONS

MOTION	VOTES
DRAPER/BOSE MOVED to approve the agenda.	CARRIED
BOSE/LARSEN MOVED to approve the minutes of FC-2019-05-M.	CARRIED
STATT/LARSEN MOVED to review and approve the release of the Aboriginal Student Council's dedicated fee for the 2019-20 year.	CARRIED
DRAPER/BEASLEY MOVED to amend the motion to read “to appoint two members of the Finance Committee to the Student Group Granting Adjudication Committee for the 2019-20 year stat.”	CARRIED
STATT/LARSEN MOVED to ratify Student Group	CARRIED

Committee's awards adjudications for the 2019-2020 year as follows:

Student Group Progress Award: Women in Science and Engineering

Student Group of the Year Award: Muslim Students Association

Most Promising New Group Award: Active Minds

Best Event of the Year Award: TEDx UAlberta

Community Outreach Award: Heart of the City Music Program



1-81 Students' Union Building | 8900 114 Street | Edmonton, AB | T6G 2J7 | www.campusfoodbank.com

September Programs Report

Here is a selection of statistics from our four programs. I'll explain the details and context for each program within each section

Hamper

Our Hamper program is the primary program we offer. Below is a snapshot of the last five years of usage.

Year	Individuals	% change from previous year	Hampers	% change from previous year	Individuals per Hamper	% change from previous year
2014/15	1592	-0.19%	839	1.57%	1.90	-1.73%
2015/16	1778	11.68%	881	5.01%	2.02	6.36%
2016/17	2454	38.02%	1058	20.09%	2.32	14.93%
2017/18	2438	-0.65%	1246	17.77%	1.96	-15.64%
2018/19	2525	3.57%	1545	24.00%	1.63	-16.47%

Usage spiked in 2016/17 and has held roughly steady since then. The trend we're dealing with right now is the increase in number of hampers we're distributing each year, and the decrease in the number of people we're assisting. My current theory on this is that it's due to the closing of Michener Park, the family residence at the U of A. They have stopped accepting new residents and will officially close at the end of summer 2020. We had many clients from Michener Park a couple of years ago and most of them reported they heard about the service through neighbours/friends. The loss of this community means we don't have a direct line to student families, who are typically higher need than the average student. I've brought this up with the Dean of Students office and they're going to connect me into other networks that exist, but I'm not sure if any are as robust as Michener Park was. A priority over the next couple years will be finding ways to connect with student parents.

In 2017/18 we distributed 36,327 lbs and received 39,968

In 2018/19 we distributed 34,169 lbs and received 36,608

This decrease in distribution was likely due to a change in the hamper menu we made. We shifted most of the quantities of items we distributed (such as rice and oats), to smaller sizes more in line with what an actual serving would be. This has allowed us to stretch some of our resources, but in general we'll likely need to start bringing in more food per year if we want to meet an increasing demand.



The decrease in received would have primarily been driven by a poorer Trick or TrEAT.

Client Intakes by month

Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
10	43	42	26	9	25	22	18	7	13	15	15	28	38

Our client intake pattern is similar to what you would expect, with spikes at the beginning of Fall and Winter, and the Fall spike being larger. The more recent September is as of the evening of September 8th, so this month is shaping up to be very busy for us. We will almost definitely have surpassed the number of intakes last year by the time of the Board meeting.

Student Status Statistics

	2017/18	2018/19
Alumni	1.85%	0.84%
Staff	5.54%	2.07%
Student	96.63%	96.96%
Faculty Arts	12.61%	13.59%
Faculty Engineering	31.65%	27.64%
Faculty Science	15.90%	19.87%
Z Identifies As First Nations Metis Or Inuit	6.43%	4.79%
Z Lives In University Residence	17.43%	16.12%
Undergraduate Student	32.53%	32.10%
Graduate Student	63.05%	63.69%
Masters Student	41.02%	52.44%
Phd Student	52.36%	46.65%
Post Doctoral Student	6.75%	2.54%
Domestic	36.63%	35.15%
Alberta	78.73%	70.35%
Out Of Province	20.83%	43.46%



International Student	61.20%	61.23%
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Above is a breakdown of different student status markers we track. There have been no major changes over the last two years, and any variability I would attribute to randomness then any general trends.

If there are specific things you're interested in knowing about our hamper program please let me know and I can include those in a future report.

WECAN

Total Orders (Sept 2018-Aug 2019): 1017

Members (Sept 2018-August 2019): 145

Sept 2018: 116

Sept 2019: 140

WECAN has gone fairly well throughout 2018/19 but we could definitely handle more orders than we get. Our highest yet is 135, and I think we handle up to 200 before we start encountering transport issues. Users seem to try the service once or twice and then either stick with it or drop off. The lack of choice in items probably turns people away but it's out of our control. We've really tried to advertise leading up to this September, which is why you see the jump over last year. We'll focus on continuing to advertise to try and maintain this level of orders throughout the year.

Grocery Buses

Last year our Grocery Buses had 173 participants. Sometimes we struggled to fill them but they were generally well received. I'm very happy to report that our first 5 Grocery Buses (all that are available to register for) are already full! This is an amazing improvement and big credit goes to Madi for really getting the word out about them. We also upgraded our scheduling software so we're able to create waitlists for our programs now which is much needed. We'll need to track no-shows very carefully as we don't want anyone missing out on a bus if there's space available. We have 10 busses a semester scheduled currently so I'm very excited to see the demand for this programming. We've also included additional stops this year. We're going to Superstore on Gateway Boulevard, T&T Supermarket and some specialty stores on 34th Avenue (Spice Centre, Halal Meat Shops, etc).

Campus Kitchens



1-81 Students' Union Building | 8900 114 Street | Edmonton, AB | T6G 2J7 | www.campusfoodbank.com

Last year our Campus Kitchens had 216 participants. So far only one class is available (we open them two week before the class, the busses we open 2 months before) and it's full. Again we're running 10 of these a semester and have really increased the advertising we do so I'm hopeful we'll see them fill up quickly as well. I'm working on a grant for some equipment for our classes as well as pursuing some longer term funding for them (as our grant is for this year only). I'll have an update about both of those likely for October's report.

ACCT #	Account Name	Amount
Revenue		
Donations		
4010	Donations - Receiptable	\$15,000.00
4020	Donations - Non Receiptable	\$55,000.00
4030	Donations from Other Charitable Orgs	\$0.00
4040	In-Kind Donations	\$0.00
4050	Donated Food Received	\$110,000.00
Total Donations		\$180,000.00
Grants		
4110	Federal Grants	\$4,500.00
4120	Provincial Grants	\$0.00
4130	University Grants	\$20,000.00
4140	Dedicated Fee Unit	\$61,498.67
4150	Other Grants	\$0.00
Total Grants		\$85,998.67
Other Income		
4210	Sponsorship revenue	\$0.00
4220	Interest Income	\$250.00
4230	Concessions and Sales	\$450.00
Other Income Total		\$700.00
Total Revenue		\$266,698.67
Expenses		
Internal		
5010	Catering	\$3,430.00
5020	Venue Rental	\$1,050.00
5030	Printing	\$0.00
5040	Advertising	\$0.00
5050	Vehicles	\$50.00
5060	Miscellaneous	\$1,500.00
Total Internal		\$6,030.00
Fundraising		
5110	Catering	\$1,250.00
5120	Venue Rental	\$1,600.00
5130	Printing	\$550.00
5140	Advertising	\$250.00
5150	Vehicles	\$50.00
5160	Miscellaneous	\$2,250.00
Total Fundraising		\$5,950.00
Programs		
Hamper Program		
5211	Purchased Food	\$2,000.00
5212	Equipment and Supplies	\$200.00
5213	Printing	\$550.00
5214	Advertising	\$450.00
5215	Vehicles	\$150.00
5216	Miscellaneous	\$0.00
5217	Donated Food Distributed	\$110,000.00
Hamper Program Total		\$113,350.00
WECAN		
5221	Printing	\$300.00
5222	Advertising	\$0.00
5223	Vehicles	\$30.00

5224	Miscellaneous	\$0.00
5225	Overage	\$50.00
WECAN Total		\$380.00
Campus Kitchens		
5231	Purchased Food	\$2,400.00
5232	Equipment and Supplies	\$200.00
5233	Printing	\$200.00
5234	Advertising	\$0.00
5235	Vehicles	\$0.00
5236	Miscellaneous	\$50.00
5237	Venue Rental	\$0.00
Campus Kitchens Total		\$2,850.00
Grocery Buses		
5241	Printing	\$200.00
5242	Advertising	\$0.00
5243	Vehicles	\$3,000.00
5244	Miscellaneous	\$0.00
Grocery Buses Total		\$3,200.00
Total Programs		\$119,780.00
Employee and Board Development		
5310	Conference Fees	\$120.00
5320	Conference Travel and Accommodation	\$1,044.00
5330	Workshops	\$1,250.00
Total Employee and Board Development		\$2,414.00
Payroll		
5410	Salaries	\$124,545.00
5420	EI	\$2,824.68
5430	CPP	\$6,351.80
5440	Health plan	\$1,002.00
5450	WCB	\$1,998.45
5460	Vacation Pay	\$1,117.80
Total Payroll		\$137,839.73
General Admin		
5510	Rental Expense	\$6,900.00
5520	Amortization Expense	\$0.00
5530	General Office Supplies	\$500.00
5540	Software Costs	\$2,728.68
5550	Computer/Printing Supplies	\$350.00
5600	Telephone	\$672.00
5610	Postage	\$300.00
5700	Auditing Fees	\$5,000.00
5710	Professional Fees	\$0.00
5800	Association Memberships	\$285.00
5810	Bank Charges	\$0.00
5820	Insurance	\$1,500.00
5830	Overage	\$0.00
5840	GST Expense	\$700.00
Total General Overheads		\$18,935.68
Total Expenses		\$290,949.41
Total Profit (Revenue - Expenses)		-\$24,250.74

CAMPUS FOOD BANK SOCIETY
Financial Statements
Year Ended April 30, 2019

CAMPUS FOOD BANK SOCIETY

Index to Financial Statements

Year Ended April 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Campus Food Bank Society

We have audited the accompanying financial statements of Campus Food Bank Society, which comprise the statement of financial position as at April 30, 2019 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Auditor's 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 auditor's 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 auditor considers 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.

(continues)

Independent Auditor's Report to the Members of Campus Food Bank Society *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, Campus Food Bank Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. They also derive revenues from donated food products, of which the accuracy of the weight is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Campus Food Bank Society. Verification of the accuracy of the donated food products and donated food products distributed to donees was limited to what was recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2019, current assets and net assets as at April 30, 2019.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Campus Food Bank Society as at April 30, 2019 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
September 13, 2019

Rutwind Brar LLP
Rutwind Brar LLP
Chartered Professional Accountants

CAMPUS FOOD BANK SOCIETY

Statement of Financial Position

April 30, 2019

	2019	2018
ASSETS		
CURRENT		
Cash (Note 5)	\$ 214,097	\$ 195,147
Term deposits	3,500	-
Donations receivable	3,480	4,033
Interest receivable	-	178
Goods and services tax rebate recoverable	248	279
Prepaid expenses	627	492
	<u>221,952</u>	200,129
PROPERTY, PLANT AND EQUIPMENT (Note 7)	<u>5,214</u>	-
	<u>\$ 227,166</u>	<u>\$ 200,129</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,501	\$ 17,814
Deferred income	20,000	-
	<u>24,501</u>	17,814
NET ASSETS	<u>202,665</u>	182,315
	<u>\$ 227,166</u>	<u>\$ 200,129</u>

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD

Director

Director

CAMPUS FOOD BANK SOCIETY

Statement of Revenues and Expenditures

Year Ended April 30, 2019

	2019	2018
REVENUES		
Donations	\$ 106,103	\$ 117,465
Donated Food Product (Note 4)	95,182	103,918
Dedicated fee unit revenue	60,172	58,080
Grant revenue (Note 6)	12,000	9,000
	<u>273,457</u>	<u>288,463</u>
EXPENSES		
Salaries and wages	110,589	75,000
Donated food product distributed (Note 4)	95,182	103,918
Office	10,694	4,980
Employee benefits	9,365	8,022
Rental	6,900	6,200
Advertising and promotion	6,677	8,718
Professional fees	3,680	4,835
Travel	3,277	2,267
Fundraising	1,768	1,249
Training	1,648	625
Insurance	1,365	1,824
Amortization	987	-
Telephone	672	672
Non-recoverable GST	655	238
	<u>253,459</u>	<u>218,548</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	19,998	69,915
OTHER INCOME	<u>352</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 20,350	\$ 69,915

CAMPUS FOOD BANK SOCIETY

Statement of Changes in Net Assets

Year Ended April 30, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 182,315	\$ 112,400
EXCESS OF REVENUES OVER EXPENSES	<u>20,350</u>	<u>69,915</u>
NET ASSETS - END OF YEAR	<u>\$ 202,665</u>	<u>\$ 182,315</u>

CAMPUS FOOD BANK SOCIETY

Statement of Cash Flow Year Ended April 30, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 20,350	\$ 69,915
Item not affecting cash:		
Amortization of property, plant and equipment	987	-
	<u>21,337</u>	<u>69,915</u>
Changes in non-cash working capital:		
Donations receivable	553	(4,033)
Interest receivable	178	-
Accounts payable	(13,314)	(2,360)
Deferred income	20,000	-
Prepaid expenses	(135)	(492)
Goods and services tax payable	31	-
	<u>7,313</u>	<u>(6,885)</u>
Cash flow from operating activities	<u>28,650</u>	<u>63,030</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(6,200)</u>	-
INCREASE IN CASH FLOW	<u>22,450</u>	<u>63,030</u>
Cash - beginning of year	<u>195,147</u>	<u>132,117</u>
CASH - END OF YEAR	<u>\$ 217,597</u>	<u>\$ 195,147</u>
CASH CONSISTS OF:		
Cash	\$ 214,097	\$ 195,147
Term deposits	3,500	-
	<u>\$ 217,597</u>	<u>\$ 195,147</u>

CAMPUS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

1. PURPOSE OF THE SOCIETY

Campus Food Bank Society (the "society") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. The Society is also a registered charitable organization for income tax purposes.

The society operates a food bank distributing food items and toiletries to University of Alberta community members in need.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and short term investments

Cash includes cash and cash equivalents. Cash equivalents are investments in Guaranteed Investment Certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of one year and less.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair values of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Government grants

Government grants are recorded when there is a reasonable assurance that the society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation.

Revenue recognition

Campus Food Bank 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. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, useful lives of capital assets, asset impairments, legal and tax contingencies, employee benefit plans.

Goods and Services Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	55%	declining balance method

The society regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. DISBURSEMENT REQUIREMENT

In order to maintain its status as a registered charity under the Income Tax Act (Canada), the Society is required to make qualifying disbursements of \$6,800 prior to April 30, 2020 (2018 - \$5,200 prior to April 30, 2019). The Society is generally required to distribute a minimum of 3.5% of the previous year's average fair value of net assets.

CAMPUS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

4. DONATED FOOD PRODUCT

The Society received significant contributions of food and consumer products to support its operations. The volume of food and consumer products acquired by donation in the year was 36,608 pounds (2018 - 39,969 pounds) with a value of \$2.60 (2018 - \$2.60) per pound based on an estimate provided by a third party. These donated food products are reflected in the statement of revenue and expenditures and statement of changes in net assets in the period in which they are received. The Society recognizes the donated food products in the period in which they are received and distributed.

	<u>2019</u>	<u>2018</u>
<u>Statement of Revenues and Expenditures</u>		
Donated food product revenue	\$ 95,182	\$ 103,918
Donated food product expense	<u>(95,182)</u>	<u>(103,918)</u>
	<u>\$ -</u>	<u>\$ -</u>

5. CASH

	<u>2019</u>	<u>2018</u>
<u>Section heading</u>		
Cash	\$ 156,081	\$ 139,660
Term deposit (interest of 0.60%; 2018 - 0.45%)	<u>56,016</u>	<u>55,487</u>
	<u>\$ 212,097</u>	<u>\$ 195,147</u>

6. GRANT REVENUE

	<u>2019</u>	<u>2018</u>
<u>Section heading</u>		
GSA Grants	<u>\$ 12,000</u>	<u>\$ 9,000</u>

Effective April 3, 2019, the Society was approved for an operating grant from the Graduate Students Association of the University of Alberta in the amount of \$15,000.

7. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Equipment	\$ 4,105	\$ 410	\$ 3,695	\$ -
Computer equipment	2,095	576	<u>1,519</u>	-
	<u>\$ 6,200</u>	<u>\$ 986</u>	<u>\$ 5,214</u>	<u>\$ -</u>

8. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of April 30, 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Additional risk***Initial and subsequent measurement***

Financial instruments are recorded at fair value when acquired or issued except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

In subsequent periods, financial assets and financial liabilities are measured at cost or amortized cost, except for financial assets that are quoted in an actively traded market which are reported at fair value, with any unrealized gains and losses reported in net income in the period incurred.

Financial assets and liabilities subsequently measured at amortized cost on a straight-line basis include cash and accounts payable and accrued liabilities.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indicators of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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.

CAMPUS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended April 30, 2019

9. LEASE COMMITMENTS

The society has a long term lease with respect to its premises. The lease provides for payment of utilities and rent. Future minimum lease payments as at April 30, 2019, are as follows:

2020	\$	6,900
2021		<u>2,300</u>
	\$	<u><u>9,200</u></u>

TENANCY AGREEMENT

THIS AGREEMENT MADE THIS 24 DAY OF November, 2017

BETWEEN

THE UNIVERSITY OF ALBERTA STUDENTS' UNION
(hereinafter referred to as "**the Students' Union**" or "**the Landlord**")

OF THE FIRST PART

and

THE CAMPUS FOOD BANK SOCIETY
(hereinafter referred to as "**the CFB**" or "**the Tenant**")

OF THE SECOND PART

The Tenant has agreed to lease land provided by the Landlord on the terms and conditions that follow. The Students' Union and the CFB agree with each other as follows:

1. TERM

The term of this Agreement shall be effective from September 1, 2017 until August 31, 2020, or until terminated in accordance with the provision of this Agreement.

2. OBLIGATIONS OF THE LANDLORD

The Students' Union agrees to the following:

- a. To provide to the CFB space equal to or greater than the presently occupied Rooms 1-81, 1-81A, 1-81B, 1-81C, 1-81D, 1-81E, and 1-81F (a total value of 132m²) in the Students' Union Building (the "Leased Premises"), at a total cost to the CFB of \$3,900 per annum. This sum is to be paid via a monthly payment of \$325, to be paid on or before the last day of each month.
- b. To provide utilities and custodial services to the CFB, at a total cost to the CFB of \$3,000 per annum. This sum is to be paid via a monthly payment of \$250, to be paid on or before the last day of each month. These rates are subject to change at any time, provided six months notice is granted, and will only be based upon changes to custodial and utilities costs.
- c. To conduct reasonable payroll functions for employees at cost or lower, including but not limited to the preparation of direct deposit pay, remittance of required deductions to the Receiver General and preparation of T4 and ROE documents. The CFB reserves the option to receive these services from a source other than the Students' Union.
- d. To grant to the CFB a non-exclusive licence to use the common areas of the building for all reasonable purposes directly related to its mission or objectives and with the prior approval of the Students' Union, acting reasonably, where "common areas" shall mean all lands, improvements, facilities, utilities, installations, and equipment forming part of the building, other than those parts designated by the Students' Union for leasing to tenants of the building and shall include (but not be limited to) washrooms, stairwells, and loading docks.
- e. To charge the CFB according to internal pricing rates on use of the Students' Union's resources. These may include (but are not limited to) repairs and maintenance, technical support, use of the Students' Union van, marketing, advertising and promotion, printing

and duplication services, and office supplies. For resources that do not have an internal pricing rate, the Students' Union shall determine a fair rate to charge.

f. To provide, free of charge, the use of any Students' Union owned furniture, appliances, and office equipment located on the premises as described in 2(a). The CFB is also entitled to the use of other furniture at the discretion of the Vice President Operations & Finance or the Senior Manager Facilities & Operations of the Students' Union.

g. To provide, free of charge, the CFB with web space on the Students' Union website. The CFB reserves the option to receive these services from a source other than the Students' Union.

h. Quiet enjoyment of the leased premises by the CFB.

i. "To provide approved CFB staff and volunteers usage of the Students' Union vehicle pool. The Human Resources Manager of the Students' Union determines approval of drivers: approval will not be unreasonably withheld. Approved drivers are required to comply with the Students' Union's policy on Motor Vehicle Travel. Usage charges shall be apportioned appropriately to the CFB

3. OBLIGATIONS OF THE TENANT

The CFB agrees to the following:

a. Not to reassign the spaces specified in 2(a) without the express written consent of the Students' Union, such consent not to be unreasonably withheld.

b. Not to substantially renovate or physically change the space provided without consent of the Students' Union Vice President Operations & Finance, such consent not to be unreasonably withheld.

c. To be responsible for all property insurance for capital assets and furniture located in the Leased Premises, in the event of theft, fire, and vandalism.

d. To reimburse the SU for damage or loss to SU owned assets except for normal wear and tear.

e. To carry liability insurance in an amount not less than \$1,000,000 which will include legal fees. The premium and retention will be paid for in full by the CFB with proof of coverage confirmed by a certificate of insurance that includes the Students' Union as an additional insured. The policy will be endorsed to provide that 30 days prior written notice of cancellation or material change of the policy will be mailed to the Students' Union. The insurance coverage will be in place within 30 days of this contract being signed with proof of coverage provided to the Human Resources Manager of the Students' Union. Proof of coverage must also be provided to the Human Resources Manager of the Students' Union upon annual renewal of the insurance.

f. To use the leased premises solely for the purpose of providing a food bank for members of the University of Alberta community and other necessarily related activities that further the objectives of the CFB, provided that such use shall accord with Students' Union and University of Alberta operational policies relating to use of similar premises under the CFB's mandate and objectives.

g. If use of the facility is required when the building is closed, the CFB may be permitted access with written permission of the Vice President Operations & Finance or the Senior

Manager Facilities & Operations. During these hours all building doors are to remain locked at all times.

h. To not alter the Leased Premises or remove fixtures upon termination of the Agreement unless the Students' Union has first consented, such consent not to be unreasonably withheld.

i. To follow all relevant operating policies of the Students' Union unless otherwise specified in the Agreement. In the event of a change in Operating Policy, the Students' Union will notify the CFB in writing.

4. OTHER OBLIGATIONS

Notwithstanding the articles contained herein, the following is understood by both parties:

a. This Agreement and all terms and conditions herein are subject to approval by the Students' Council Finance Committee.

b. Subject to Article 2, all rental and lease rates are subject to change provided that the Students' Union provides six months notice.

5. DISPUTE RESOLUTION

The CFB and SU agree to the following dispute resolution procedure:

a. Any dispute that may arise between the Parties regarding the interpretation or implementation of this Agreement shall first be resolved through consultation between each respective Party's Primary Contact.

b. In the event that the Primary Contacts are unable to resolve the dispute pursuant to section 1 within thirty (30) days, or within such other period as the Parties may agree upon in writing, either Party may provide written notice to the other Party of the details, nature and extent of any remaining issues in dispute and refer the matter to the Students' Union Vice President, Operations and Finance and the Executive Director of CFB for resolution.

c. The CFB will be deemed to have committed an event of default and the Students' Union may give written notice to the CFB requiring the default to be cured within thirty (30) days from the date of such notice. The CFB will be considered to be in event of default if any "Default and Termination" conditions outlined in Schedule A are met.

d. In the event that the Primary Contacts are unable to resolve a dispute related an event of default, the Students' Union may take any of the following steps:

- Require enhanced reporting and suspend future funds until the default is cured to the satisfaction of the Students' Union
- Terminate this agreement

6. TERMINATION

a. The term of this lease and the licence herein granted will expire on August 31, 2020, upon which time it may be reviewed with an option to renew the lease based on similar terms and conditions.

b. In the event the Students' Union decides to not renew the Agreement, they reserve the option to terminate the lease on August 31, 2020, and shall not be liable for any financial loss incurred by the CFB as a result of such termination.

c. Contravention of any of the "Default and Termination" conditions outlined in Schedule A by CFB may result in termination of this Agreement by the Students' Union. In this circumstance the CFB shall receive written notice of termination at least 30 days prior to the termination coming into effect.

d. The CFB may terminate this Agreement, with the exception of clause 3(g), at any time and for any reason provided it gives three months written notice.

7. **GENERAL**

This Agreement may not be amended or modified in any respect unless the mutual written consent of both parties is given.

The provisions contained in this Agreement constitute the entire agreement between the Landlord and the Tenant and supersede all previous communications, representations, and agreements, whether verbal or written, between all parties with respect to the subject matter hereof.

This Agreement shall be signed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the parties hereto have affixed their respective seals by the hand of their duly authorized officers this _____ day of _____, 2017, in the city of Edmonton, in the province of Alberta, on recognized Treaty 6 Territory in the country of Canada.

For the Students' Union

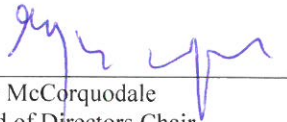


Robyn Paches
Vice President Operations & Finance

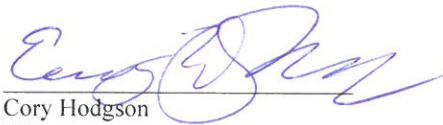


Marc Dumouchel
Witness

For the Campus Food Bank



Gary McCorquodale
Board of Directors Chair



Cory Hodgson
Witness

Schedule 'A'

DEFAULT AND TERMINATION

The tenancy granted by this lease is expressly subject to the condition that if:

- a) the Tenant fails to pay the rent or other charges required to be paid by the Tenant hereunder although no formal demand shall have been made therefore; or
- b) the Tenant fails to observe, perform or keep any one or more of the covenants, provisions or stipulations to be observed, performed or kept by the Tenant hereunder and if such failure continues for a period of TEN (10) DAYS after notice to the Tenant of such failure,

then, in either or both of such events, the Landlord may re-enter the Demised Premises, and upon such re-entry this Agreement shall thenceforth be terminated and of no further force or effect, and no payment or acceptance of rent subsequent to the events of default hereinbefore in this clause cited shall give the Tenant the right to continued occupancy of the Demised Premises, or in any way affect the rights of the Landlord herein, or have the effect of reinstating this Lease.

The Tenant covenants with the Landlord, and it is a condition of this Lease that:

- (i) If the term hereby granted or any of the goods or chattels on the Demised Premises are at any time repossessed, seized, or taken in execution or attachment by any creditor of the Tenant, whether under bill of sale, chattel mortgage, debenture, conditional sales contract, lien, note, lease of personal property, or consignment contract; or
- (ii) If a writ of execution or replevin order issues against the goods or chattels of the Tenant; or
- (iii) If the Tenant makes any assignment for the benefit of creditors, or becoming bankrupt or insolvent takes the benefit of, or becomes subject to, any statutes that may be in force relating to bankrupt or insolvent debtors; or
- (iv) If the Demised Premises at any time during the lease term becomes vacant in consequence of the abandonment by the Tenant, or the removal of the Tenant by legal process for non-payment of rent, breach of covenant or any other cause; or
- (v) If the Tenant does not, within TEN (10) DAYS after notice in writing from the landlord, rectify or correct any non-observance or non-performance of all and every of the covenants, provisions, stipulations, and conditions contained in this Lease; or
- (vi) If any insurance policy insuring the said building of the Landlord or Tenants of the said building is cancelled or refused to be renewed by reason of the use and occupation of the Demised Premises, the Tenant shall immediately cease operations and shall be allowed up to 60 days to rectify the problem and open for business as required by this Lease; or
- (vii) If the Tenant fails to move into or take possession of the Demised Premises and open for business as required by this Lease; or
- (viii) If at any time during the term hereof, the Tenant or any other person removes or attempt to remove, without the consent in writing of the Landlord, any goods or chattels belonging to the Landlord from the Demised Premises, save and except in the ordinary course of the Tenant's business, or in the course of replacement or renovations; or
- (ix) If the Demised Premises is used by any other person or for any other purpose than as herein provided without the written consent of the Landlord, such consent not to be unreasonably withheld,

then and in every such event the Landlord shall be entitled to forthwith re-enter the Demised Premises, and upon such re-entry this Lease shall thenceforth be terminated, and be of no further force and effect, and no payment or acceptance of rent subsequent to the event of default hereinbefore in this clause cited shall give the Tenant the right to continue occupancy of the Demised Premises, or in anyway affect the rights of the Landlord herein, or have the effect of reinstating this Lease.

SURRENDER OF PREMISES ON TERMINATION

Upon the expiration of the Lease or the sooner termination of the term hereby granted, the Tenant covenants to immediately surrender and yield up possession of the Demised Premises in good repair, reasonable wear and tear only expected. The Tenant shall surrender all keys at the place then fixed for payment of rent and shall inform the Landlord of all combinations of locks, safes and vaults, if any, in the Demised Premises. The Tenant shall remove its trade fixtures and the Tenant shall repair any damage to the Demised Premises caused by the Tenant.

LANDLORD'S RIGHTS ON RE-ENTRY

The Tenant agrees that in the event the Landlord shall be entitled to re-enter and retake possession of the Demised Premises, it may use reasonable force for gaining admittance to the Demised Premises, without being liable in respect thereof or for any loss or damage occasioned thereby. The Tenant hereby expressly releases the Landlord from all actions, proceedings, claims and demands whatsoever for or in respect of any such forcible entry, or loss or damage that may be sustained by the Tenant in respect therewith, provided that such forcible entry is limited to such extent that is necessary for the Landlord to take possession of the Demised Premises and is reasonable in the circumstances.

LANDLORD'S RIGHTS ON TERMINATION

Upon the premature termination of this Lease in accordance with this Agreement:

- (i) The Landlord may re-let the Demised Premises or any part thereof;
- (ii) The Tenant shall pay to the Landlord on demand such reasonable expenses as the Landlord may incur in re-letting the Demised Premises, including legal costs, legal fees and real estate fees and commissions, and expenses of keeping the Demised Premises in good order, and of preparing the Demised Premises for re-letting;
- (iii) All rent up to and including the effective date of termination shall immediately become due; and
- (iv) The Landlord may, at its option, and in addition to any other remedies it may have hereunder, require the Tenant to pay to the Landlord as liquidated damages for default of the Tenant in the observance and performance of its covenants under this Lease, all rent and other payments reserved to be paid and remaining unpaid by the Tenant under this Lease two months from the date of termination.

LEGAL COSTS

The Tenant agrees to pay to the Landlord as additional rent all legal costs, and legal fees, on a solicitor-client basis lawfully incurred in obtaining possession of the Demised Premises upon the expiration or earlier termination of this Lease or in enforcing any covenant or agreement of the Tenant herein contained.

CUMULATIVE REMEDIES

No reference to or exercise of any specific right or remedy by either party shall prejudice or preclude such party from any other remedy, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, any one or more of such remedies may be exercised independently or in combination. Without limiting the generality of the foregoing, the Landlord shall be entitled to commence and maintain an action against the Tenant to collect any rent not paid when due, without exercising the option to terminate this Lease.

NON-WAIVER

Any condonement, excusing or overlooking by a Party (the "Waiving Party") of any default, breach or non-observance by the other Party at any time or times in respect of any covenant, proviso or condition herein contained shall not operate as a waiver of the Waiving Party's rights hereunder in respect of any subsequent default, breach or non-observance nor as to defeat or affect in any way the rights of either party.