



Financial Statements

Central Okanagan Community Foodbank
Society

June 30, 2025

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Independent Practitioner's Review Engagement Report

To the Members of
Central Okanagan Community Foodbank Society

We have reviewed the accompanying financial statements of Central Okanagan Community Foodbank Society that comprise the statement of financial position as at June 30, 2025, 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Central Okanagan Community Foodbank Society as at June 30, 2025, 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.

Report on other legal and regulatory requirements

As required by the British Columbia Societies Act, we report that in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Kelowna, Canada
November 26, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

Central Okanagan Community Foodbank Society

Statement of Financial Position

June 30

2025

2024

Assets

Current

Cash and cash equivalents (Note 3)

- Unrestricted

\$ 201,445 \$ 1,463,395

- Internally restricted

- 2,238,879

- Externally restricted

1,040,036 1,200,910

Short-term investments (Note 4)

- -

- Unrestricted

366,469 228,968

- Internally restricted

7,241,440 3,456,490

Inventory (Note 5)

1,173,874 1,442,920

Prepaid expenses and deposits

73,853 56,700

Goods and services tax recoverable

25,111 21,140

10,122,228 10,109,402

Tangible capital assets (Note 6)

7,435,178 6,911,822

\$ 17,557,406 \$ 17,021,224

Liabilities

Current

Payables and accruals (Note 7)

\$ 219,980 \$ 526,892

Unearned revenue (Note 8)

1,040,037 1,050,910

1,260,017 1,577,802

Deferred capital contributions (Note 10)

313,890 281,312

1,573,907 1,859,114

Net Assets

Internally restricted for food purchases (Note 11)

1,479,106 1,442,554

Internally restricted for infrastructure and emergency

4,462,160 4,252,815

Invested in tangible capital assets

7,121,289 6,780,510

Unrestricted net assets

2,920,944 2,686,231

15,983,499 15,162,110

\$ 17,557,406 \$ 17,021,224

On behalf of the Board



Director



Director

Central Okanagan Community Foodbank Society

Statement of Operations

Year ended June 30	2025	2024
Revenue		
Goods donated	\$ 12,309,640	\$ 13,959,512
Third party events and contributions	2,457,793	2,652,631
Fundraising campaigns	1,671,624	2,707,252
Grants	1,512,337	1,201,693
Amortization of deferred capital contributions	41,605	14,578
	17,992,999	20,535,666
Direct costs		
Goods distributed	14,555,980	15,570,941
Gross revenues over distributions	3,437,019	4,964,725
Expenditures		
Amortization of tangible capital assets	273,009	282,268
Automotive	60,847	43,116
Fundraising	268,894	221,174
Insurance	60,455	64,134
Interest and charges	3,475	1,488
Office and administration	108,108	98,109
Professional fees and subcontract	135,171	103,057
Repairs and maintenance	81,676	88,442
Staff and volunteer recognition	41,655	40,911
Supplies and occupancy costs	122,708	77,577
Telephone and utilities	97,962	91,363
Wages and benefits	1,555,130	1,470,817
	2,809,090	2,582,456
Excess of revenue over expenditures before other income (item)	627,929	2,382,269
Other income (item)		
Interest income	364,786	326,188
Investment income	122,410	64,516
Loss on disposal of tangible capital assets	(293,736)	-
	193,460	390,704
Excess of revenue over expenditures	\$ 821,389	\$ 2,772,973

See accompanying notes to the financial statements.

Central Okanagan Community Foodbank Society

Statement of Changes in Net Assets

Year ended June 30

	Internally restricted for food purchases	Internally restricted for infrastructure and emergency	Invested in tangible capital assets	Unrestricted net assets	Total 2025	Total 2024
Balance, beginning of year	\$ 1,442,554	\$ 4,252,815	\$ 6,780,510	\$ 2,686,231	\$ 15,162,110	\$ 12,389,137
Excess of revenue over expenditures	-	-	-	821,389	821,389	2,772,973
Purchase of tangible capital assets	-	-	1,090,100	(1,090,100)	-	-
Acquisition of assets using deferred capital contributions	-	-	(224,183)	224,183	-	-
Transfers related to amortization and deferred capital contributions	-	-	(231,402)	231,402	-	-
Interest on reserves	36,552	209,345	-	(245,897)	-	-
Disposal of tangible capital assets	-	-	(293,736)	293,736	-	-
Balance, end of year	\$ 1,479,106	\$ 4,462,160	\$ 7,121,289	\$ 2,920,944	\$ 15,983,499	\$ 15,162,110

See accompanying notes to the financial statements.

Central Okanagan Community Foodbank Society

Statement of Cash Flows

Year ended June 30

2025

2024

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenditures	\$ 821,389	\$ 2,772,973
Items not affecting cash and cash equivalents		
Acquisition of tangible capital assets included in payables and accruals	-	(98,393)
Amortization of tangible capital assets	273,009	282,268
Amortization of deferred capital contributions	(41,605)	(14,578)
Donated marketable securities, net	(15,090)	25,783
Inventory donated	1,926,684	914,071
Investment income	(122,410)	(64,516)
Interest revenue	(175,392)	(218,874)
Loss on disposal of tangible capital assets	293,736	-

2,960,321 3,598,734

Change in non-cash and cash equivalent working capital items

Prepaid expenses and deposits	(17,153)	94,382
Goods and services tax recoverable	(3,971)	23,849
Payables and accruals	(306,912)	215,313
Unearned revenue	(10,873)	635,388

(338,909) 968,932

Items affecting cash

Purchased inventory	(1,657,638)	(1,219,080)
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963,774 3,348,586

Financing

Deferred capital contributions received	74,183	150,000
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Investing

Change in externally restricted cash	160,874	(785,388)
Purchase of marketable securities	-	(3,620)
Purchase of term deposits, net	(3,609,560)	(1,184,901)
Purchase of tangible capital assets	(1,090,100)	(1,466,267)

(4,538,786) (3,440,176)

(Decrease) increase in cash and cash equivalents

(3,500,829) 58,410

Cash and cash equivalents

Beginning of year	3,702,274	3,643,864
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End of year	\$ 201,445	\$ 3,702,274
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Cash and cash equivalents consists of:

Unrestricted	\$ 201,445	\$ 1,463,395
Internally restricted	-	2,238,879

\$ 201,445 **\$ 3,702,274**

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

1. Nature of operations

Central Okanagan Community Foodbank Society ("the Society") was formed on June 25, 2015 as a result of the amalgamation of the Kelowna Community Foodbank Society (originally incorporated under the B.C. Society Act on October 9, 1984) and the Westside Community Foodbank Society (originally incorporated under the B.C. Society Act on October 25, 2000).

The Society is a registered charity exempt from the payment of income tax under Section 149(I) of the Income Tax Act and may issue tax-deductible receipts for qualifying charitable donations.

The vision of the Society is a community where no one goes hungry. Its mission is to create a healthy and hunger-free community.

2. Summary of significant accounting policies

Basis of presentation

The Society has prepared these financial statements in accordance with Canadian Accounting Standards for Not-For-Profit-Organizations ("ASNPO").

Cash and cash equivalents

The Society's policy is to present bank balances under cash and cash equivalents, including term deposits with a maturity period of three months or less at the date of acquisition and/or which are readily convertible to cash.

Inventory

Inventory consists of food, other household items and gift cards.

The food and other household items are valued by multiplying the weight of the item by the standard cost per pound as set by Food Banks Canada. The standard cost used in the year is \$3.58 per pound (2024 - \$3.58).

Gift cards are measured at their cash value.

Tangible capital assets

Each class of tangible capital assets is carried at cost less any accumulated amortization and impairment losses. Amortization is provided using the declining balance method at the following annual rates:

Automotive	30%
Buildings	4% and 6%
Computer equipment	30% and 45%
Computer software	20%
Equipment	20%
Fences	10%
Furniture and fixtures	20%
Office and other equipment	20%
Paving	8%

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

2. Summary of significant accounting policies (continued)

Impairment of long-lived assets

When a tangible capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

The Society tests tangible capital assets, or groups of tangible capital assets, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the tangible capital asset or group of tangible capital assets exceeds the asset's fair value or replacement cost.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions, grants, and fundraising related to the operations are deferred and recognized as the related expenses are incurred. Unrestricted contributions, grants, and fundraising are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated goods are recognized at the standard cost rate as set by Food Banks Canada which is currently \$3.58 per pound (2024 - \$3.58).

Bequests are recognized in accordance with the terms of the gift or endowment.

Interest and investment income is recognized on a time-proportionate basis as it is earned on investments.

Contributions specifically provided for tangible capital assets or intangible assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired asset. Restricted contributions for long-lived assets that will not be amortized are recognized as direct increases in net assets.

Contributed services

Volunteers contributed time to assist the Society in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the assessment of the value of donated food and other products and the estimated useful lives and related amortization of tangible capital assets.

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

2. Summary of significant accounting policies (continued)

Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- Cash and cash equivalents
- Payables and accruals
- Short-term investments
- Deposits

Initial measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities obtained in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Society does not have any financial assets or liabilities in related party transactions which are initially measured at fair value.

Subsequent measurement

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, except for short term investments, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Society initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value would be subsequently measured at amortized cost or fair value based on certain conditions. The Society measures its holdings in short term investments at fair value.

Derecognition

The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

3. Cash and cash equivalents

Included in cash and cash equivalents is \$103,790 (2024 - \$195,125) of funding received from the Province of B.C. Community Gaming Grant that is restricted for specific purposes, \$936,246 (2024 - \$855,786) received from various organizations that are restricted for specific purposes as described in Note 8, \$nil (2024 - \$150,000) of funding received from Food Banks Canada for the purchase and installation of a walk-in freezer as described in Note 10, and \$nil (2024 - \$2,238,879) of funding from operations that is internally restricted for specific purposes described in Note 11 and Note 12.

4. Short-term investments

Short-term investments consist of marketable securities and term deposits. Marketable securities include donated shares and grants issued through the IG Wealth Management Charitable Giving Program.

	<u>2025</u>	<u>2024</u>
Marketable securities	\$ 366,469	\$ 228,968
Term deposits (3.05% - 5.70%)	<u>6,975,907</u>	<u>3,456,490</u>
	<u>\$ 7,342,376</u>	<u>\$ 3,685,458</u>

5. Inventory

	<u>2025</u>	<u>2024</u>
Food and other goods inventory - 268,476 pounds (2024 - 349,900 pounds)	\$ 978,240	\$ 1,252,642
Gift cards held for food and other goods purchases	<u>195,634</u>	<u>190,278</u>
	<u>\$ 1,173,874</u>	<u>\$ 1,442,920</u>

The amount of inventory recognized in the statement of operations as an expense is \$14,555,980 (2024 - \$15,570,941).

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

6. Tangible capital assets

			2025	2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 3,495,162	\$ -	\$ 3,495,162	\$ 3,094,838
Automotive	883,045	706,523	176,522	252,174
Buildings	4,601,058	1,167,425	3,433,633	3,385,233
Computer equipment	66,297	62,147	4,150	4,030
Computer software	14,244	14,156	88	110
Equipment	248,485	81,519	166,966	41,735
Fences	2,219	1,159	1,060	1,177
Furniture and fixtures	33,473	22,029	11,444	11,293
Office and other equipment	532,976	391,198	141,778	116,477
Paving	14,080	9,705	4,375	4,755
	\$ 9,891,039	\$ 2,455,861	\$ 7,435,178	\$ 6,911,822

Included in buildings is construction-in-progress of \$438,394 (2024 - \$366,062) of which \$nil (2024 - \$nil) has been amortized.

7. Payables and accruals

			2025	2024
Accrued wages, vacation and banked time payable			\$ 101,123	\$ 100,603
Other trade payables and accruals			118,857	425,678
Government remittances payable			-	611
			\$ 219,980	\$ 526,892

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

8. Unearned revenue

Unearned revenue represents unspent externally restricted grants.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Breakfast Club of Canada	\$ 8,125	\$ 21,250	\$ (8,125)	\$ 21,250
Central Okanagan Foundation	15,000	10,000	(15,000)	10,000
City of Kelowna	20,000	-	(20,000)	-
Falcon Foundation	208,992	235,000	(157,748)	286,244
Food Banks	269,867	181,658	(229,884)	221,641
Food for Thought	277,470	514,027	(504,999)	286,498
Government of Canada	56,331	32,589	(88,920)	-
Province of B.C. - Community Gaming Grant	195,125	-	(91,334)	103,791
The Grocery Foundation	-	175,000	(75,000)	100,000
Ki Low Na Friendship Society	-	93,350	(88,737)	4,613
DGT-Vibrant Communities	-	6,000	-	6,000
	<u>\$ 1,050,910</u>	<u>\$ 1,268,874</u>	<u>\$ (1,279,747)</u>	<u>\$ 1,040,037</u>

9. Credit facility

The Society has access to a line of credit from Valley First Credit Union with a maximum limit of \$550,000 and bearing interest at the Credit Union's prime rate plus 1.50%. At year end, there was no balance outstanding (2024 - \$nil).

Security for the line of credit includes a registered first mortgage over land and buildings and assignments of rents on the aforementioned properties and a general security agreement covering all assets of the Society.

10. Deferred capital contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
Enterprise Way additions	\$ 80,235	\$ -	\$ (3,209)	\$ 77,026
Refrigerated van	13,805	-	(4,142)	9,663
Freezers	21,272	-	(4,254)	17,018
Kitchen renovation	16,000	-	-	16,000
Walk-in freezer	150,000	74,183	(30,000)	194,183
	<u>\$ 281,312</u>	<u>\$ 74,183</u>	<u>\$ (41,605)</u>	<u>\$ 313,890</u>

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

11. Internally restricted for food purchases

The Society has internally restricted cash to be used for emergent costs relating to the purchase of food required when donations are not adequate to meet their mission. A second purpose is to protect the organization from potential increase costs of food due to recent inflation and to serve a significant increase in the numbers of clients. The objective will be achieved through annual appropriations of interest revenue earned on the investment of the restricted funds and transfers from unrestricted net assets, which were approved by board motion. At June 30, 2025, the food purchases reserve was fully funded through internally restricted short-term investments.

12. Internally restricted for infrastructure and emergency

The Society has internally restricted cash to be used for emergent costs relating to the improvement of building infrastructure and emergency costs associated with unanticipated repairs. The objective will be achieved through annual appropriations of interest revenue earned on the investment of the restricted funds and transfers from unrestricted net assets, which were approved by board motion. Included in this balance are funds for specific projects: \$400,000 towards updating the kitchen in the Enterprise location, \$2,000,000 towards the future purchase or construction of a new West Kelowna location and \$250,000 towards infrastructure towards specific Food Hub locations. At June 30, 2025, the infrastructure and emergency reserve was fully funded through internally restricted short-term investments.

Central Okanagan Community Foodbank Society

Notes to the Financial Statements

June 30, 2025

13. Financial instruments

The main risks the Society is exposed to through its financial instruments are liquidity risk and market risk.

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its payables and accruals. There has been no significant change in exposure from the prior year.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risks. The Society is exposed to interest rate and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk with respect to its short term investments. There has been no significant change in exposure from the prior year.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is mainly exposed to other price risk through its short term investments. There has been no significant change in exposure from the prior year.

14. British Columbia Societies Act

The British Columbia Societies Act requires disclosure of the amounts of remuneration, if any, paid to the directors and to employees or contractors who receive over \$75,000 per annum. The Society has two (2024 - three) individuals that fall within this requirement, whose remuneration for the fiscal year totalled \$210,594 (2024 - \$289,200).
