

Cherryville Community Food & Resource Society
Financial Statements

For the year ended December 31, 2025

Cherryville Community Food & Resource Society Contents

For the year ended December 31, 2025

	<i>Page</i>
Independent Practitioner's Review Engagement Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

To the Board of Cherryville Community Food & Resource Society:

Report on the Financial Statements

We have reviewed the accompanying financial statements of Cherryville Community Food & Resource Society (the "Society") which comprise the statement of financial position as at December 31, 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 Society, 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 Cherryville Community Food & Resource Society as at December 31, 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.

Comparative Information

Without modifying our conclusion, we draw attention to Note 2 to the financial statements which describes that Cherryville Community Food & Resource Society adopted Canadian accounting standards for not-for-profit organizations on January 1, 2025 with a transition date of January 1, 2024. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2024 and at January 1, 2024, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2024 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles of Canadian Accounting Standards for Not-For-Profit Organizations have been applied on a basis consistent with that of the preceding year.

Surrey, British Columbia

May 14, 2026

MNP LLP

Chartered Professional Accountants

Cherryville Community Food & Resource Society

Statement of Financial Position

As at December 31, 2025

	2025	2024	<i>January 1</i> 2024
Assets			
Current			
Cash	37,807	93,060	51,211
Restricted cash	64,534	62,765	60,747
Accounts receivable	1,172	3,073	10,141
Prepaid expenses	2,433	4,384	2,091
Term deposits <i>(Note 4)</i>	85,000	-	-
	190,946	163,282	124,190
Capital assets <i>(Note 5)</i>	270,108	245,524	274,715
Intangible assets	-	1,500	1,500
	461,054	410,306	400,405
Liabilities			
Current			
Accounts payable and accruals <i>(Note 6)</i>	16,562	7,964	2,979
Deferred contributions <i>(Note 7)</i>	64,534	62,765	60,747
	81,096	70,729	63,726
Deferred contributions related to capital assets <i>(Note 8)</i>	253,903	229,955	258,119
	334,999	300,684	321,845
Net Assets			
Unrestricted	109,850	94,053	61,964
Invested in capital assets	16,205	15,569	16,596
	126,055	109,622	78,560
	461,054	410,306	400,405

Approved on behalf of the Board

e-Signed by Sharon Harvey

2026-05-14 12:58:55:55 PDT

Director

e-Signed by Chelsea Weist

2026-05-14 15:08:25:25 PDT

Director

The accompanying notes are an integral part of these financial statements

Cherryville Community Food & Resource Society

Statement of Operations

For the year ended December 31, 2025

	2025	2024
Revenue		
Program grants	186,108	113,686
In-kind food donations	101,733	91,525
Donations	68,636	64,897
Recognition of deferred capital contributions	41,191	28,164
Community gaming grant	28,046	31,984
Fundraising	19,324	24,310
Programs and other revenue	17,374	13,810
	462,412	368,376
Expenses		
Wages and benefits	171,098	108,452
Food purchases and donated food	145,915	129,519
Amortization	42,506	29,192
Professional fees	20,601	5,199
Office and miscellaneous	17,775	14,939
Vehicle	12,409	15,409
Occupancy and facilities	12,017	12,145
Insurance	7,716	5,558
Grocery cards	5,904	2,900
Training	4,686	5,069
Christmas hampers and gifts	2,023	1,927
Repairs and maintenance	1,161	6,304
Interest and bank charges	538	701
	444,349	337,314
Excess of revenue over expenses before other items	18,063	31,062
Other items		
Loss on disposal of capital assets	(130)	-
Impairment of intangible assets	(1,500)	-
	16,433	31,062
Excess of revenue over expenses	16,433	31,062

The accompanying notes are an integral part of these financial statements

Cherryville Community Food & Resource Society Statement of Changes in Net Assets

For the year ended December 31, 2025

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	2025	2024
Net assets, beginning of year	15,569	94,053	109,622	78,560
Excess (deficiency) of revenue over expenses	(1,445)	17,878	16,433	31,062
Purchase of capital assets	67,220	(67,220)	-	-
Deferred capital contribution	(65,139)	65,139	-	-
Net assets, end of year	16,205	109,850	126,055	109,622

The accompanying notes are an integral part of these financial statements

Cherryville Community Food & Resource Society

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	16,433	31,062
Amortization	42,506	29,192
Recognition of deferred contributions related to capital assets	(41,191)	(28,164)
Loss on disposal of capital assets	130	-
Impairment of intangible assets	1,500	-
	19,378	32,090
Changes in working capital accounts		
Accounts receivable	1,901	7,068
Prepaid expenses	1,951	(2,293)
Accounts payable and accruals	8,598	4,984
Deferred contributions	1,769	2,018
	33,597	43,867
Financing		
Deferred contributions related to capital assets received	65,139	-
Investing		
Purchase of term deposits	(85,000)	-
Purchase of capital assets	(67,220)	-
Increase (decrease) in cash resources	(53,484)	43,867
Cash resources, beginning of year	155,825	111,958
Cash resources, end of year	102,341	155,825
Cash resources are composed of:		
Cash	37,807	93,060
Restricted cash	64,534	62,765
	102,341	155,825

The accompanying notes are an integral part of these financial statements

Cherryville Community Food & Resource Society

Notes to the Financial Statements

For the year ended December 31, 2025

1. Incorporation and nature of the organization

Cherryville Community Food & Resource Society (the "Society") was incorporated under the authority of the Societies Act of British Columbia as a not-for-profit organization on November 28, 2016 and is registered charity, and thus is exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Society's purpose is to help families and individuals on a regular basis, promote food security, and offer a range of local supports and services designed to fill rural-based gaps and bridge access to care and service.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Society's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended December 31, 2025, the comparative information for the year ended December 31, 2024, and the opening ASNPO statement of financial position as at January 1, 2024 (the Society's date of transition to ASNPO).

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles using the following significant accounting policies:

Revenue recognition

The Society follows the deferral method of accounting for contributions, which include grants, funding, cash donations, and gifts in kind. 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.

Program and other revenue is recognized when the services have been provided if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

Cash includes balances in bank accounts and term deposits with original maturities of three months or less. Term deposits with original maturities of more than three months are presented as term deposits and are measured at amortized cost, and classified as current or long-term based on their respective maturity dates.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Building	20 years
Vehicles	10 years
Computer equipment	3 years
Food bank equipment	5 years
Furniture and fixtures	5 years
Generator	10 years

Leases

Leases are classified as either capital or operating leases. Those leases that transfer substantially all the benefits and risks of ownership of the property to the Society are accounted for as capital lease. Capital lease obligations reflect the present value of future lease payments discounted at appropriate interest rates. All other leases are accounted for as operating leases, wherein rental payments are charged to operations on a straight-line basis over the term of the lease.

Cherryville Community Food & Resource Society

Notes to the Financial Statements

For the year ended December 31, 2025

3. Significant accounting policies (Continued from previous page)

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

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

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Volunteers contributed 2,470 hours (2024 - 2,005) of their time to assist the society in carrying out its activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in these financial statements.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Cherryville Community Food & Resource Society

Notes to the Financial Statements

For the year ended December 31, 2025

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

4. Term deposits

	2025	2024
Term deposit, bearing 2.22%, maturing on July 14, 2026	50,000	-
Term deposit, bearing 0.75%, maturing on July 14, 2026	25,000	-
Term deposit, bearing 3.20%, maturing on July 14, 2026	10,000	-
	85,000	-

5. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Building	204,800	44,232	160,568	170,808
Vehicles	137,229	93,432	43,797	57,519
Computer equipment	1,647	1,647	-	-
Food bank equipment	72,127	18,351	53,776	502
Furniture and fixtures	27,612	26,348	1,264	2,424
Generator	35,677	24,974	10,703	14,271
	479,092	208,984	270,108	245,524

6. Accounts payable and accruals

Included in accounts payable and accruals at December 31, 2025 are \$462 (2024 - \$264) of remittances payable to government agency.

Cherryville Community Food & Resource Society

Notes to the Financial Statements

For the year ended December 31, 2025

7. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for specific purposes as designated by the contributors. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2025	2024
Balance, beginning of year	62,765	60,747
Amount received during the year	281,062	147,688
Less: Amount recognized as revenue during the year	(279,293)	(145,670)
Balance, end of year	64,534	62,765

	2025	2024
Deferred contributions are comprised of the following externally designated restrictions:		
United Way - Southern Interior BC - Caregiver Support Grant	42,056	-
Community Foundation of the North Okanagan - Prosperity Grant	6,183	-
Government of Canada - New Horizon Grant	4,315	4,426
United Way - Southern Interior BC - Community Connector Grant	3,899	4,698
United Way - Southern Interior BC - Volunteer Management Grant	3,485	2,809
United Way - Southern Interior BC - Transportation Grant	1,857	5,200
Kelowna Outreach	1,521	2,495
Regional District of the North Okanagan	868	6,222
Government of Canada - 2026 Tax Program	330	-
Community Gaming Grant	20	28,066
Community Foundation of the North Okanagan - Smart & Caring Grant	-	7,960
Food Banks BC - food purchases grant	-	889
	64,534	62,765

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of grants received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2025	2024
Balance, beginning of year	229,955	258,119
Amount received during the year	65,139	-
Less: Amounts recognized as revenue during the year	(41,191)	(28,164)
Balance, end of year	253,903	229,955

Cherryville Community Food & Resource Society

Notes to the Financial Statements

For the year ended December 31, 2025

9. Director, employee and contractor compensation

Under the Societies Act of British Columbia, the following additional financial statement disclosures are required.

Remuneration paid to directors

Board directors receive no remuneration for being a director of the Society.

Remuneration paid to highest paid employees and contractors

During the year ended December 31, 2025, no employees or contractors received total compensation over \$75,000 (2024 - nil).

10. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Society's main credit risk relates to its accounts receivable. The Society assesses the credit worthiness of the entities comprising amounts receivable, and provide allowances for amounts potentially uncollectible.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate risk primarily relating to term deposits.