Doane Grant Thornton

Financial Statements

Loaves and Fishes Community Food Bank Society

December 31, 2025

Contents

Doane Grant Thornton LLP
25 Cavan St
Nanaimo, BC
V9R 2T9

T +1 250 754 6396
F +1 250 754 1903
www.doanegrantthornton.ca

Independent Practitioner's Review Engagement Report

To the Board of Directors of
Loaves and Fishes Community Food Bank Society

We have reviewed the accompanying financial statements of Loaves and Fishes Community Food Bank Society that 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 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.

Basis for qualified conclusion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of our review. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Society, and we are not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenues over expenses and cash flows for the periods ended December 31, 2025 and current assets and fund balances as at December 31, 2025.

Independent Practitioner's Review Engagement Report (continued)

Qualified conclusion

Based on our review, except for the effects of the matter described in the Basis for qualified conclusion paragraph, 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 Loaves and Fishes Community Food Bank 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.

Report on other legal and regulatory requirements

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

Doane Grant Thornton LLP

Nanaimo, Canada
April 27, 2026

Chartered Professional Accountants

Loaves and Fishes Community Food Bank Society
Statement of Operations

Year ended December 31	**2025**	2024
Revenues		
Donations - food	**$ 12,172,567**	$ 11,940,150
Donations - general	**2,285,739**	1,781,340
Donations - empties 4 food	**420,762**	388,595
Grants	**319,331**	339,424
Other	**95,962**	88,728
Thrift Store	**45,498**	55,655
Interest earned	**243**	35,639
	15,340,102	14,629,531
Expenses		
Program expenses	**8,912,807**	8,692,100
Contributions to other agencies	**3,525,530**	3,672,002
Food program wages	**1,344,502**	1,343,600
Salaries and wages	**732,651**	570,670
Amortization	**357,431**	288,667
Vehicle operation	**234,007**	243,355
Management salaries	**195,994**	221,126
Accounting and legal	**83,298**	16,349
Utilities	**82,358**	59,773
Office	**56,370**	43,679
Advertising and promotion	**46,850**	53,584
Interest and bank charges	**35,145**	27,890
Insurance	**25,109**	22,073
Repairs and maintenance	**23,195**	34,881
Travel	**18,387**	29,771
Rent	**18,200**	9,450
Telephone	**14,774**	17,232
Interest on capital lease	**13,763**	-
Interest on demand loan	**9,602**	7,138
Memberships	**2,855**	2,348
	15,732,828	15,355,688
Deficiency of revenues over expenses before other items	**(392,726)**	(726,157)
Other income		
Gain on sale of tangible capital assets	**26,632**	-
Amortization of deferred capital contributions	**182,223**	196,538
	208,855	196,538
Deficiency of revenues over expenses	**$ (183,871)**	$ (529,619)

See accompanying notes to the financial statements.

Loaves and Fishes Community Food Bank Society
Statement of Changes in Net Assets
Year ended December 31

	Unrestricted	Externally Restricted	Investment in tangible capital assets	**Total 2025**	Total 2024
Balance, beginning of year					
As previously stated	$ (117,077)	$ 3,776	$ 1,941,403	**$ 1,828,102**	$ 3,220,321
Prior period adjustment	-	-	-	**-**	(862,600)
Balance, beginning of year	(117,077)	3,776	1,941,403	**1,828,102**	2,357,721
Deficiency of revenues over expenses	(8,663)	-	(175,208)	**(183,871)**	(529,619)
Purchase of tangible capital assets	(6,648,491)	-	6,648,491	**-**	-
Issuance of capital lease	496,758	-	(496,758)	**-**	-
Repayment of debt	(45,713)	-	45,713	**-**	-
Purchase of tangible capital assets with deferred capital contributions	6,648,443	-	(6,648,443)	**-**	-
Net change in deposits, holdbacks payable and deferred development costs	584,266	-	(584,266)	**-**	-
Transfers	(3,730)	3,730	-	**-**	-
Balance, end of year	**$ 905,793**	**$ 7,506**	**$ 730,932**	**$ 1,644,231**	$ 1,828,102

Loaves and Fishes Community Food Bank Society
Statement of Financial Position

December 31		**2025**		2024
Assets				
Current				
Cash and cash equivalents	**$**	**1,377,962**	$	181,505
Accounts receivable		**41,539**		9,633
Inventory (Note 3)		**307,284**		365,987
Prepaid expenses		**23,767**		63,180
Deposits		**195,770**		195,770
Goods and services tax recoverable		**90,188**		44,043
Gift cards		**44,749**		68,654
		2,081,259		928,772
Long-term				
Restricted cash		**7,506**		213,971
Restricted term deposits (Note 4)		**585,096**		6,602,209
Tangible capital assets (Note 5)		**10,110,976**		3,819,916
		10,703,578		10,636,096
	$	**12,784,837**	$	11,564,868

Loaves and Fishes Community Food Bank Society
Statement of Financial Position

December 31	2025	2024
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	$ **592,272**	$ 415,439
Demand loan (Note 7)	**159,773**	168,198
Deferred donations (Note 8)	**349,533**	434,641
Deferred development costs	**42,556**	85,112
Holdback payable	**682,227**	55,405
Deferred revenue (Note 9)	**37,888**	-
Current portion of capital lease obligation (Note 10)	**73,142**	-
	1,937,391	1,158,795
Long-term		
Capital lease obligation (Note 10)	**386,329**	-
Deferred capital contributions (Note 11)	**8,816,886**	8,577,971
	9,203,215	8,577,971
	11,140,606	9,736,766
Net assets		
Unrestricted	**905,793**	(117,077)
Externally Restricted	**7,506**	3,776
Investment in tangible capital assets	**730,932**	1,941,403
	1,644,231	1,828,102
	$ **12,784,837**	$ 11,564,868

Lease commitments (Note 12)

On behalf of the Board

Signed by:
Chris Mudd ____________ Member
BA7C :073C4CF41B...

Signed by:
Jerry Davis ____________ Member
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Loaves and Fishes Community Food Bank Society
Statement of Cash Flows

Year ended December 31	2025	2024
Operating		
Cash receipts	**$ 3,642,152**	$ 3,180,340
Cash paid to suppliers and employees	**(2,402,320)**	(2,723,646)
Interest paid	**(23,365)**	(7,138)
GST rebates receivable	**(46,144)**	(26,591)
Interest receivable	**-**	9,346
	1,170,323	432,311
Financing		
Demand loan	**(8,425)**	(18,722)
Repayment of capital lease obligation	**(37,287)**	-
Proceeds of capital lease obligation	**496,758**	-
	451,046	(18,722)
Investing		
Purchase of tangible capital assets	**(6,648,491)**	(1,891,808)
Redemption of term deposits	**-**	680,000
Redemption of restricted term deposits	**6,017,114**	635,321
	(631,377)	(576,487)
Increase (decrease) in cash	**989,992**	(162,898)
Cash		
Beginning of year	**395,476**	558,374
End of year	**$ 1,385,468**	$ 395,476

Cash consists of:		
Cash and cash equivalents	**$ 1,377,962**	$ 181,505
Restricted cash	**7,506**	213,971
	$ 1,385,468	$ 395,476

1. Nature of operations

Loaves and Fishes Community Food Bank Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. 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 operates to fight hunger in the community by providing quality, nutritious food to people through distribution programs and community partners.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). As a result, these financial statements are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the following significant accounting policies:

Revenue recognition

The Society follows the deferral method of accounting for contributions which includes grants and donations. Contributions of tangible capital assets are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related tangible capital asset.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

Donated food is recognized as revenue when distributed.

Endowment contributions are recognized as direct increases in net assets.

Interest income is recorded as income when it is earned.

Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated food is recorded based on Food Banks Canada recommendations of $7.89 per kg (2024: $7.89 per kg)

Cash and cash equivalents

Cash equivalents consist of cash on hand, balances with banks, and short-term term deposits with an initial maturity of three months or less or those term deposits that are redeemable on demand.

Inventory

The cost of inventory comprises all costs of bringing the inventories to their present location and condition. The cost of inventory is calculated as the total weight of inventory on hand multiplied by the rates set out by Food Banks of Canada.

2. Significant accounting policies (continued)

Tangible capital assets

Each class of tangible capital assets is carried at cost less, where applicable, any accumulated amortization and impairment.

The following rates applied on a straight-line method will apply the cost over the estimated useful lives of tangible capital assets:

Buildings	40 years
Vehicles	7 years
Furniture and fixtures	4 years
Fences	10 years
Computer software	10 years
Vehicles under capital lease	7 years

Leasehold improvements are amortized over 5 years using the straight-line method.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

The cost of an item of tangible capital asset that is acquired, constructed or developed over time includes carrying costs directly attributable to the acquisition, construction, or development activity.

Capitalization of carrying costs ceases when an item of tangible capital asset is substantially complete and ready for productive use.

Impairment of long-lived assets

The Society tests long-lived 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 asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Government assistance

The Society recognizes government assistance toward current expenses in the statement of earnings. When government assistance relates to future expenses, the Society defers the assistance and recognizes it in the statement of earnings as the related expenses are incurred. When government assistance relates to the acquisition of tangible capital assets, the Society defers the assistance and recognizes it in the statement of earnings on the same basis as the related tangible capital assets are amortized.

2. 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
- accounts receivable
- interest receivable
- restricted cash
- restricted term deposits
- accounts payable and accrued liabilities
- holdbacks payable
- demand loan
- capital lease obligation

Initial measurement

The Society initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

Derecognition

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

Impairment

At the end of each period, the Society assesses whether there are any indicators of impairment for financial assets measured at cost or amortized cost. The Society recognizes an impairment loss in net income when there are both indicators of impairment and a significant adverse change in the expected timing or amount of future cash flows from a financial asset. Previously recognized impairment losses are reversed to net income if improvements occur.

2. Significant accounting policies (continued)

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 collectibility of accounts receivable, valuation of inventory, useful life of tangible capital assets, and amounts of accrued liabilities.

3. Inventory

During the year, $12,172,567 (2024:$11,927,498) of inventory was recorded in expenses as program expenses and contributions to other agencies.

4. Restricted term deposits

Included in restricted term deposits is $585.096 (2024: $6,602,209) restricted for the purpose of building the East Wellington Warehouse. Maturity dates on the term deposits range from May 2026 to December 2026. Interest rates range from 2.10% to 2.40%. (2024: 3.65% to 5.40%).

5. Tangible capital assets

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Land	$ 238,024	$ -	**$ 238,024**	$ 238,024
Buildings	1,082,954	287,243	**795,711**	808,533
Vehicles	1,660,065	1,031,055	**629,010**	1,318,087
Furniture and fixtures	386,637	268,075	**118,562**	104,200
Leasehold improvements	1,904	493	**1,411**	1,792
Fences	7,441	6,255	**1,186**	1,525
Computer software	10,299	10,299	**-**	-
Building under development	7,893,144	-	**7,893,144**	1,347,755
	11,280,468	1,603,420	**9,677,048**	3,819,916
Vehicles under capital lease	543,950	110,022	**433,928**	-
	$ 11,824,418	$ 1,713,442	**$ 10,110,976**	$ 3,819,916

At December 31, 2025, $7,893,144 (2024 - $1,347,755) of building under development was not being amortized as it was not available for use at that time.

Amortization expense for assets under capital lease is $77,707 (2024 - $nil)

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $6,085 (2024: $9,349).

7. Demand loan

	2025	2024
Coastal Community Credit Union commerical loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of $1,195. The loan matures March 1, 2026 and is secured by a General Security Agreement	**$ 159,773**	$ 168,198

Estimated principal repayments are as follows:	
2026	$ 159,773

8. Deferred donations

Deferred donations represent the undistributed portion of food and gift card donations received. The contributions are recognized into revenue once items are distributed.

	Balance, beginning of year	Received	Recognized	**Balance, end of year**
Deferred gift card contributions	$ 68,654	$ 87,817	$ (114,222)	**$ 42,249**
Deferred food donations	365,987	12,113,864	(12,172,567)	**307,284**
	$ 434,641	$ 12,201,681	$ (12,286,789)	**$ 349,533**

9. Deferred revenue

Deferred revenue represent the unspent portion of grants received. The contributions are recognized into revenue once the expenses related to the grants are incurred.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Food Banks Canada	$ -	$ 19,898	$ (2,380)	$ 17,518
George Hutchison Family Foundation	-	12,000	(1,000)	11,000
Nanaimo Foundation	-	10,000	(630)	9,370
	$ -	$ 41,898	$ (4,010)	$ 37,888

10. Capital lease obligation

		2025		2024
RBC - equipment lease repayable in monthly payments of $8,131 plus GST including interest at 5.73% per annum with a maturity date of July 2031. Secured by equipment with a carrying value of $433,928.	$	**459,471**	$	-
Less current portion		**73,142**		-
Due beyond one year	**$**	**386,329**	$	-

Estimated lease payments are as follows:

2026	$	73,142
2027		77,445
2028		82,001
2029		86,825
2030		91,933
Subsequent years		48,125
Total future minimum lease payments	$	459,471

11. Deferred capital contributions

Deferred capital contributions related to tangible capital assets represent the unamortized portion of restricted funding received for capital expenditures. The contributions are recognized into revenue at the same rate as the amortization of the asset which the contribution relates.

		Balance, beginning of year		Received		Recognized		**Balance, end of year**
BC Food Banks	$	313,459	$	-	$	(79,498)	**$**	**233,961**
Food Banks Canada		44,096		103,058		(59,428)		**87,726**
Agriculture Canada		236,678		-		(24,764)		**211,914**
Harvest Food Society		5,449		-		(952)		**4,497**
United Way		92,857		-		(14,286)		**78,571**
Market Street Building		61,251		-		(3,296)		**57,955**
Regional District of Nanimo		272,013		101,000		-		**373,013**
Province of British Columbia		7,552,168		117,081		-		**7,669,249**
Sasamat Foundation		-		100,000		-		**100,000**
	$	8,577,971	$	421,139	$	(182,224)	**$**	**8,816,886**

12. Lease commitments

The Society's total commitments, under various operating leases, is as follows:

Estimated annual lease payments are as follows:

2026	$	2,952
2027		2,840
2028		2,280
2029		1,776
2030		340
	$	10,188

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The Society is exposed to credit risk with respect to its cash and cash equivalents, accounts receivable, restricted cash, and restricted term deposits. Credit risk related to cash and cash equivalents, restricted term deposits and restricted cash is mitigated as the amounts are held with major Canadian financial institutions. Credit risk related to accounts receivable is mitigated as the Society enters into credit agreements with credit worthy customers.

(b) 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 accounts payable and accrued liabilities and demand loan. Cash flows from operations provide a substantial portion of the Society's needs. Additional cash requirements are met with access to the Society's operating line of credit.

(c) 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. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities.

14. Credit facilities

The Society has an authorized line of credit of $300,000 (2024: $150,000) bearing interest at prime plus 1% (2024: 6.45%), of which $Nil (2024: $Nil) was used at year end. Bank advances on the line of credit are payable on demand.

15. Remuneration

The Societies Act (British Columbia) requires certain information to be reported with regard to remuneration of employees, contractors, and directors.

During the year the Society paid $406,892 (2024 - $399,982) in total remuneration to four individuals (2024 - four) who are employees, whose remuneration during the applicable period was at least $75,000 annually.

16. Subsequent events

Subsequent to year-end, the Society received confirmation of a funding contribution from Pacific Development Canada of up to $5,000,000 to support the construction of its East Wellington Warehouse.

The contribution is subject to the terms and conditions of the funding agreement and will be reimbursed based on eligible project expenditures incurred. Eligible activities include site preparation, building construction, installation of plumbing, electrical, and other systems, purchase and installation of equipment, as well as professional services and contract project management,

As the funding was approved after the reporting date, no amounts have been recognized in these financial statements. The Society expects to recognize the contribution in future periods as eligible expenditures are incurred, and reimbursement conditions are met.

Subsequent to year-end, the Society completed the sale of its building located at 1009 Farquhar Street for total proceeds of $656,403. As at December 31, 2025, the property had a net book value of $240,619.

Following the sale, the Society entered into a lease agreement for the premises, committing to a minimum monthly lease payment of $3,808 until May 31, 2026.

Subsequent to year-end the demand loan was repaid in full on March 23, 2026.