Doane Grant Thornton

Financial Statements

Salmo Community Resource Society

March 31, 2025

Contents

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Independent Practitioner's Review Engagement Report

To the Members of
Salmo Community Resource Society

We have reviewed the accompanying financial statements of Salmo Community Resource Society that comprise the statement of financial position as at March 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.

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 Salmo Community Resource Society as at March 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.

Independent Practitioner's Review Engagement Report (continued)

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 Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Doane Grant Thornton LLP

Nelson, Canada
July 29, 2025

Chartered Professional Accountants

Salmo Community Resource Society
Statement of Financial Position

March 31	2025	2024
Assets		
Current		
Cash	**$ 536,699**	$ 418,209
Accounts receivable	**682**	4,472
Security deposit	**1,000**	1,000
	538,381	423,681
Long-term investments (Note 3)	**91,366**	92,295
Tangible capital assets (Note 4)	**243,258**	249,317
	$ 873,005	$ 765,293
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 22,816**	$ 17,976
Wages and benefits payable	**23,543**	30,413
Government remittances payable	**11,698**	11,805
Deferred contributions (Note 5)	**235,054**	160,271
	293,111	220,465
Deferred capital contributions (Note 6)	**35,106**	37,103
	328,217	257,568
Net Assets		
Invested in tangible capital assets	**208,152**	212,214
Unrestricted	**106,214**	82,398
Internally restricted net assets (Note 7)	**230,422**	213,113
	544,788	507,725
	$ 873,005	$ 765,293

On behalf of the Board

Signed by:
June Stockdale
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Chair

Salmo Community Resource Society
Statement of Operations

Year ended March 31	2025	2024
Revenues		
Provincial grants		
Ministry of Child and Family Development	$ 219,934	$ 230,183
Ministry of Justice	192,440	174,111
BC Housing	53,585	49,370
BC Gaming Policy and Enforcement Branch	37,734	32,726
Federal grants		
Health Canada	21,898	22,398
Other grants		
Trail FAIR	67,836	61,244
Interior Health	63,791	96,433
Foodbanks BC	32,411	19,774
Foodbanks Canada	18,433	1,390
Better at Home	10,886	1,849
Columbia Basin Trust	6,815	20,013
United Way	5,568	-
Castlegar Community Services	5,000	-
Regional District Central Kootenay	2,482	6,564
Other Provisional Grants	2,000	250
Village of Salmo	300	300
Shelters Grant	-	15,120
Columbia Power	-	1,250
City of Castlegar	-	1,153
Fortis BC Energy	-	215
Donations	34,156	63,788
Recoveries and miscellaneous	10,830	11,764
	786,099	809,895
Expenses		
Amortization	8,359	11,859
Board expenses	3,365	2,537
Contracting assistance	24,082	23,658
Food and client supplies	70,347	48,957
Memberships and dues	1,990	1,465
Office supplies and postage	13,939	6,332
Photocopy expense	1,081	1,005
Professional fees	11,731	11,516
Program supplies	10,212	19,587
Property taxes and insurance	10,377	9,439
Rent	28,585	20,801
Repairs and maintenance	13,845	10,419
Telephone and utilities	20,101	20,519
Training and travel	21,567	10,103
Volunteer appreciation	1,038	1,043
Wages and employee benefits	508,417	562,216
	749,036	761,456
Excess of revenues over expenses	$ 37,063	$ 48,439

See accompanying notes to the financial statements.

Salmo Community Resource Society
Statement of Changes in Net Assets
Year ended March 31

	Invested in tangible capital assets	Unrestricted	Internally restricted net assets	**Total 2025**	Total 2024
Balance, beginning of year	$ 212,214	$ 82,398	$ 213,113	**$ 507,725**	$ 459,286
Excess of revenues over expenses	-	37,063	-	**37,063**	48,439
Amortization - tangible capital assets	(8,359)	8,359	-	**-**	-
Amortization - deferred contributions related to tangible capital assets	1,997	(1,997)	-	**-**	-
Net transfers to internally restricted	-	(17,309)	17,309	**-**	-
Tangible capital asset additions	2,300	(2,300)	-	**-**	-
Balance, end of year	**$ 208,152**	**$ 106,214**	**$ 230,422**	**$ 544,788**	$ 507,725

Salmo Community Resource Society
Statement of Cash Flows

Year ended March 31	2025	2024
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	**$ 37,063**	$ 48,439
Items not affecting cash		
Amortization of tangible capital assets	**8,359**	11,859
Amortization of deferred capital contributions	**(1,997)**	(4,337)
Reinvested interest on long-term investments	**(4,355)**	(3,949)
	39,070	52,012
Change in non-cash working capital items		
Accounts receivable	**3,790**	20,310
Security deposit	**-**	(1,000)
Accounts payable and accrued liabilities	**4,839**	1,584
Wages and benefits payable	**(6,870)**	14,673
Government remittances	**(107)**	(3,184)
Deferred contributions	**74,783**	(19,234)
	115,505	65,161
Investing		
Net change in long-term investments	**5,284**	-
Purchase of tangible capital assets	**(2,299)**	-
	2,985	-
Increase in cash	**118,490**	65,161
Cash		
Beginning of year	**418,209**	353,048
End of year	**$ 536,699**	$ 418,209

1. Nature of operations

Salmo Community Resource Society (the "Society") develops, delivers, and maintains a broad range of services that help individuals and families in the Salmo area deal effectively with personal, social, and poverty related issues. The Society is incorporated under the Societies Act of British Columbia and is a registered charity under the Income Tax Act. As such, it is exempt from income tax and can issue tax deductible donation receipts.

2. Significant accounting policies

The Society applies the Canadian accounting standards for not-for-profit organizations.

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 which affect the reported amount of assets and liabilities, the 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. Significant items subject to such estimates and assumptions include the valuation of allowances for accounts receivable, the estimated useful lives of tangible capital assets and accrued liabilities included in accounts payable. Actual results could differ from these estimates

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
- accounts receivable
- long-term investments
- accounts payable and accrued liabilities
- wages and benefits payable

<u>Financial instruments in arm's length transactions</u>

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 these financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; investments in equity instruments that are not quoted in an active market, which are measured at cost less any reduction for impairment; and certain financial assets and financial liabilities which the Society has elected to measure at fair value. Changes in financial instruments measured at fair value are recognized in excess of revenues over expenses.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financing fees and transaction costs

At initial recognition, the value of financial assets and financial liabilities in arm's length transactions that are subsequently measured at cost or amortized cost are adjusted for financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. The fees and costs are subsequently amortized into excess of revenues over expenses using the effective interest rate method. All other transaction costs are recognized in excess of revenues over expenses in the period incurred.

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 excess of revenues over expenses.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Amortization is provided at the following annual rates:

Building	50 years Straight-line
Equipment	5 years Straight-line
Building improvements (post 2022)	20 years Straight-line
Building improvements (prior to 2023)	5% Declining balance
Furniture and office equipment	20% Declining balance
Computer hardware	5 years Straight-line
Computer software	2 years Straight-line
Greenhouse	5 years Straight-line

2. Significant accounting policies (continued)

Impairment of long-lived assets

Long-lived assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its fair value. Fair value is determined using an appropriate valuation technique such as a quoted price in an active market or the present value of expected future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Net assets invested in tangible capital assets

The Society records amounts paid for the acquisition of tangible capital assets, principal repayments on loans incurred to acquire tangible capital assets and amortization of deferred contributions related to tangible capital assets to this account. A reduction is charged against this account for the net book value of tangible capital assets sold in the year, debt issued for the purchase of tangible capital assets, grants received for the purchase of tangible capital assets and amortization of tangible capital assets. The net investment is classified as restricted where there are external restrictions placed upon the use and/or possible future dispositions of the tangible capital assets.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Deferred contributions related to expenses of future periods represent unspent externally restricted funding. Externally restricted contributions for expenses of a future period are deferred and recognized as revenue in the year in which the related expense is incurred. Amounts received and not yet recognized are recorded as deferred contributions. Unrestricted contributions, other than donations and fundraising revenues, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations and fundraising revenues are recognized when funds are received.

Deferred contributions related to tangible capital assets represent the unamortized amount of contributions received for the purpose of purchasing tangible capital assets. The amortization of such contributions is recorded as revenue in the statement of operations. Amounts that have been received for the purpose of purchasing tangible capital assets that have not yet been acquired are included in deferred contributions and will be transferred to deferred contributions related to tangible capital assets upon the purchase of the assets. Restricted contributions related to the purchase of tangible capital assets are deferred and recognized as revenue using the same methods and amortization rates as the related tangible capital assets.

Contributed services

The Society benefits from donated goods and services in the form of volunteer time for various projects and donated goods. Donated materials that relate to tangible capital assets are recognized at fair value. The value of any other donated goods and services is not recognized in these financial statements.

2. Significant accounting policies (continued)

Cost allocation

Costs are allocated to various programs based on management's estimate of the program's proportionate share of the actual expenditure.

3. Long-term investments

	2025	2024
Kootenay Savings Credit Union term deposit, maturing February 2026, with interest at 5.37% adjusted at the anniversary date.	**$ 40,649**	$ 38,943
Membership share in the Kootenay Boundary Community Services Cooperative.	**100**	100
CBT Commercial Finance Corp. earning interest at 5.0% per annum.	**50,617**	53,252
	$ 91,366	$ 92,295

4. Tangible capital assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 61,401	$ -	$ 61,401	$ -
Building	217,186	94,916	217,186	90,572
Equipment	16,911	16,911	16,911	16,911
Building improvements (post 2022)	51,806	6,269	51,806	3,678
Building improvements (prior to 2023)	15,760	7,945	15,760	7,534
Furniture and office equipment	80,035	73,800	79,236	74,288
Computer hardware	14,206	14,206	14,206	14,206
Computer software	2,831	2,831	2,831	2,831
Greenhouse	6,500	6,500	6,500	6,500
	466,636	223,378	465,837	216,520
Net book value	**$ 243,258**		$ 249,317	

5. Deferred contributions

	2025	2024
Federal Government	**$ -**	$ 7,299
Provincial Government	**75,239**	81,474
Municipal and regional governments	**42,897**	1,768
Other regional charities	**105,991**	65,466
Other	**10,927**	4,264
	$ 235,054	$ 160,271

6. Deferred capital contributions

Deferred capital contributions consist of funds received for the greenhouse, various equipment, and building improvements. Changes in deferred capital contributions during the year are as follows:

	2025	2024
Balance, beginning of year	**$ 37,103**	$ 41,440
Less: amounts amortized to revenue	**(1,997)**	(4,337)
Balance, end of year	**$ 35,106**	$ 37,103

7. Internally restricted net assets

	2025	2024
Equipment Replacement Fund	**$ 55,061**	$ 35,000
Recruitment and Retention Fund	**41,755**	43,408
Training Fund	**30,134**	20,468
JW McConnell Estate Donation	**24,980**	23,921
Clinical Consultation Fund	**25,375**	23,398
CQI Fund	**20,303**	17,313
BC Housing - Safe Homes	**20,054**	39,539
Pour Estate Donation	**9,000**	9,000
Compassion Fund	**2,775**	-
Scholarship Fund	**770**	770
Salmo Valley Fund	**215**	296
	$ 230,422	$ 213,113

Internally restricted net assets represent amounts that are set aside by authorization of the Board of Directors for specific purposes.

8. Financial instruments

The following represents the Society's exposure to risks through its financial instruments:

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment. The Society is exposed to credit risk in the event of non-performance in connection with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non performance.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from the accounts payable. The Society's exposure to liquidity risk is mitigated by its current financial position and cash flows generated from its operations and other related sources, whether in the form of revenue or grants.

(c) 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 risk. The Society is mainly exposed to interest rate 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 through its long-term investments.

9. Employee and contractor remuneration

The British Columbia Societies Act requires disclosure of remunerations paid to directors as well as remunerations greater than $75,000 paid to contractors. Additionally, the Act requires disclosure of the ten highest paid employees with remunerations greater than $75,000. For the fiscal year ended March 31, 2025, no employees or contractors received remuneration above $75,000, and no remuneration was paid to the directors.