

**CLARINGTON EAST ECONOMIC SUPPORT**  
*(Operating as Clarington East Food Bank)*  
**Financial Statements**  
**Year Ended December 31, 2023**



**O'KEEFE ACCOUNTING GROUP**

Chartered Professional Accountants

"Measuring activities to manage opportunities"

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**  
**Index to Financial Statements**  
**Year Ended December 31, 2023**

---

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



**O'KEEFE ACCOUNTING GROUP**

Chartered Professional Accountants

"Measuring activities to manage opportunities"



O'KEEFE ACCOUNTING GROUP

Chartered Professional Accountants

25 King Street E.  
Cobourg ON K9A 1K6

Phone: 905 800 0909  
Fax: 905 800 1222  
info@okeefecpa.ca

---

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

---

To the Members of Clarington East Economic Support operating as Clarington East Food Bank

We have reviewed the accompanying financial statements of Clarington East Economic Support, operating as Clarington East Food Bank, (the organization) that comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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 (ASNPO), 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 not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023.

(continues)

Independent Practitioner's Review Engagement Report to the Members of Clarington East Economic Support operating as Clarington East Food Bank (*continued*)

*Qualified Conclusion*

Based on our review, except for the possible 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 Clarington East Economic Support as at December 31, 2023, 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 (ASNPO).

*Other Matter*

The financial information of Clarington East Economic Support, operating as Clarington East Food Bank for the year ended December 31, 2022 was not prepared by an external accountant. The financial information was neither compiled or reviewed and is presented for comparative purposes only.

Cobourg, Ontario  
January 23, 2025

*O'Keefe Accounting Group*

O'Keefe Accounting Group Professional Corporation  
Chartered Professional Accountants  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**

**Statement of Financial Position**

**December 31, 2023**

	2023	2022
<b>Assets</b>		
Current		
Cash	\$ 298,628	\$ 270,269
Term deposits (Note 5)	129,258	124,177
Inventory (Note 4)	37,070	27,995
Provincial rebate recoverable	500	1,437
Prepaid expenses	4,231	4,550
	<b>\$ 469,687</b>	<b>\$ 428,428</b>
 <b>Liabilities and Net Assets</b>		
Current		
Accounts payable	\$ 7,910	\$ 276
Employee deductions payable	10,235	-
	<b>18,145</b>	<b>276</b>
Deferred income (Note 7)	1,635	9,800
	<b>19,780</b>	<b>10,076</b>
Net assets	<b>449,907</b>	<b>418,352</b>
	<b>\$ 469,687</b>	<b>\$ 428,428</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2023**

	2023	2022
<b>Revenues</b>		
Food donations	\$ 278,263	\$ 194,141
Donations	237,649	191,848
Grants (Note 6)	18,165	4,987
	<u>534,077</u>	<u>390,976</u>
<b>Expenses</b>		
Donated food expense	278,263	194,141
Food purchases	93,868	60,523
Advertising and promotion	239	386
Insurance	1,599	1,198
Interest and bank charges	1,707	20
Memberships	1,597	1,550
Office	3,939	3,818
Fundraising expense	22,055	17,442
Professional fees	14,813	3,326
Rental	30,000	45,000
Repairs and maintenance	1,995	919
Salaries and wages	44,537	26,334
Sub-contracts	2,701	-
Training	2,156	497
Travel	2,085	1,954
Utilities	6,049	1,648
	<u>507,603</u>	<u>358,756</u>
<b>Excess of revenues over expenses from operations</b>	<b>26,474</b>	<b>32,220</b>
Interest income	5,081	1,342
<b>Excess of revenues over expenses</b>	<b>\$ 31,555</b>	<b>\$ 33,562</b>

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	2023	2022
<b>Net assets - beginning of year</b>	<b>\$ 418,352</b>	<b>\$ 384,790</b>
Excess of revenues over expenses	<u>31,555</u>	<u>33,562</u>
<b>Net assets - end of year</b>	<b><u>\$ 449,907</u></b>	<b><u>\$ 418,352</u></b>

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**

**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>Operating activities</b>		
Cash receipts from customers	\$ 525,912	\$ 400,776
Cash paid to suppliers and employees	(496,783)	(372,391)
Interest received	5,081	1,342
Interest paid	(1,707)	(21)
HST rebate	937	(1,186)
	<hr/>	<hr/>
<b>Increase in cash flow</b>	<b>33,440</b>	28,520
Cash - beginning of year	<hr/> <b>394,446</b>	365,926
<b>Cash - end of year</b>	<b>\$ 427,886</b>	<b>\$ 394,446</b>

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**

**Notes to Financial Statements**  
**Year Ended December 31, 2023**

---

1. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

2. Purpose of the organization

Clarington East Economic Support (the "organization") is a not-for-profit organization of Ontario. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act. In order to maintain its status as a registered charity under the Act, the organization must meet certain requirements of the Act.

The organization's objective is to provide food and personal necessities to the residents of Clarington. This is accomplished through solicitation, purchase and distribution of food to those in need via volunteers that serve clients.

Historically funding has been derived through contributions and grants from members of the public, corporations, government and charitable foundations.

3. Basis of presentation

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

4. Summary of significant accounting policies

Fund accounting

Clarington East Economic Support follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Revenue recognition

Clarington East Economic Support follows the deferral method of accounting for contributions.

Monetary donations are recognized as revenue when they are received.

Event income is recognized as revenue when the event has been completed and the proceeds are determined.

Grants are recognized as income in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. When funds are used, a corresponding amount is included in revenue and related costs are expensed. Deferred contributions relate to grants received in advance for programs taking place in the subsequent fiscal years.

Donated food is recognized as revenue when distributed at the national standard value recommended by Food Banks Canada. For 2023, the standard value is between \$1.04 to \$6.78 per lb, for an average value of \$3.52 per lb. 89,583 lbs (2022 - 69,201 lbs) of donated food has been valued at the rate of \$3.52 per pound (2022 - \$3.21 per pound) for a total value of \$315,333 (2022 - \$222,135). Management believes this reasonably reflects the fair value of donated food.

*(continues)*

**CLARINGTON EAST ECONOMIC SUPPORT  
(Operating as Clarington East Food Bank)**

**Notes to Financial Statements  
Year Ended December 31, 2023**

4. Summary of significant accounting policies (*continued*)

Contributed materials and services are recorded only when the fair value can be reasonably estimated and when these materials and services would otherwise have been purchased by the organization.

Interest and other investment income is recognized as it is earned.

Financial instruments

The carrying value of financial assets and liabilities being cash, HST receivable, short term investments, and accounts payable, approximate their fair values due to their relatively short term to maturity.

The organization does not enter into any derivative financial instrument arrangements for hedging or speculative purposes.

Inventory

Inventory is valued at national standard value recommended by Food Banks Canada on first in-first out basis.

Capital assets

The food bank currently meets the criteria for expensing capital assets.

Volunteer services

Volunteers contribute a significant amount of time each year to assist the food bank in carrying out its programs and services. Since these invaluable services are not purchased by the food bank, and a reasonable fair value cannot be estimated, they are not recorded in the financial statements

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

5. Short term investments

	<u>2023</u>		<u>2022</u>
GIC's and term deposits	\$ 22,314	\$	21,661
DUCA GIC	106,944		102,516
	<u>\$ 129,258</u>	\$	<u>124,177</u>

Short term investments consists of GIC's managed by CIBC and DUCA. The investments bear an interest rates between 3.15% and 4% with maturity dates in the 2024 fiscal year.

6. Grants

The organization received \$10,000 in grants in 2023. The food bank is required to track and provide a report for all expenses related to this grant. \$1,635, (\$9,800 in 2022) of grants received are being deferred and recognized as revenue in the year that the related expenses are incurred.

**CLARINGTON EAST ECONOMIC SUPPORT**  
**(Operating as Clarington East Food Bank)**

**Notes to Financial Statements**  
**Year Ended December 31, 2023**

7. Deferred grant revenue

Deferred revenue represents payments received for grants in excess of the amounts to be recognized over a stated periods as specified in grant terms.

	2023	2022
Beginning balance	\$ 9,800	\$ -
Additions during the year	10,000	14,787
Amounts recognized as revenue in the year	(18,165)	(4,987)
Balance, end of year	\$ 1,635	\$ 9,800

8. Lease commitments

The organization has a three year lease with respect to its premises. The lease expires on August 31, 2025 and contains renewal options. Lease payments are exclusive of utilities and maintenance costs. Future minimum lease payments as at December 31, 2023, are as follows:

	Capital		Operating		Other		Total
2024	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000		
2025	20,000	-	-	-	20,000		
	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000		

9. Financial instruments

The organization 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 organization's risk exposure and concentration as of December 31, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization 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.

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 organization is exposed to other price risk through its investment in GICs.

Additional risk

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.