

CLARINGTON EAST ECONOMIC SUPPORT
(Operating as Clarington East Food Bank)
Financial Statements
Year Ended December 31, 2024



O'KEEFE ACCOUNTING GROUP

Chartered Professional Accountants

"Measuring activities to manage opportunities"

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(Operating as Clarington East Food Bank)
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Year Ended December 31, 2024

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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, 2024, 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, 2024, current assets and net assets as at December 31, 2024. Our review conclusion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

(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, 2024, 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).

Cobourg, Ontario
August 15, 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, 2024

	2024	2023
Assets		
Current		
Cash	\$ 145,537	\$ 298,628
Term deposits (Note 7)	289,369	129,258
Inventory (Note 4)	25,793	37,070
Harmonized sales tax recoverable	2,874	500
Prepaid expenses	3,774	4,231
	<u>467,347</u>	469,687
Capital assets (Net) (Note 6)	<u>21,849</u>	-
	<u>\$ 489,196</u>	<u>\$ 469,687</u>
Liabilities and Net assets		
Current		
Accounts payable	\$ 9,445	\$ 7,910
Employee deductions payable	852	10,235
	<u>10,297</u>	18,145
Deferred income (Note 9)	<u>-</u>	1,635
	<u>10,297</u>	19,780
Net assets	<u>478,899</u>	449,907
	<u>\$ 489,196</u>	<u>\$ 469,687</u>

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, 2024

	2024	2023
Revenues		
Food donations	\$ 272,121	\$ 278,263
Donations	259,681	237,649
Fundraising	5,467	-
Grants (Note 8)	34,453	18,165
	<u>571,722</u>	<u>534,077</u>
Expenses		
Donated food expense	272,121	278,263
Advertising and promotion	102	239
Amortization	2,428	-
Insurance	2,101	1,599
Interest and bank charges	103	1,707
Memberships	1,911	1,597
Office	6,772	3,939
Food purchases	112,498	93,868
Fundraising expense	31,701	22,055
Professional fees	16,186	14,813
Rental	30,000	30,000
Repairs and maintenance	4,229	1,995
Salaries and wages	58,011	44,537
Sub-contracts	1,958	2,701
Training	2,203	2,156
Travel	2,235	2,085
Utilities	8,282	6,049
	<u>552,841</u>	<u>507,603</u>
Excess Of Revenues Over Expenses from operations	18,881	26,474
Other income	10,111	5,081
Excess of revenues over expenses	<u>\$ 28,992</u>	<u>\$ 31,555</u>

CLARINGTON EAST ECONOMIC SUPPORT
(Operating as Clarington East Food Bank)
Statement of Changes in Net Assets
Year Ended December 31, 2024

	General Fund	Restricted Fund	2024	2023
Net assets - beginning of year	\$ 449,907	\$ -	\$ 449,907	\$ 418,352
Excess of revenues over expenses	28,992	-	28,992	31,555
Net assets - end of year	\$ 478,899	\$ -	\$ 478,899	\$ 449,907

CLARINGTON EAST ECONOMIC SUPPORT
(Operating as Clarington East Food Bank)
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
Operating activities		
Cash receipts from customers	\$ 570,087	\$ 525,912
Cash paid to suppliers and employees	(546,425)	(496,783)
Interest received	10,111	5,081
Interest paid	(103)	(1,707)
Harmonized sales tax	(2,373)	937
	<u>31,297</u>	<u>33,440</u>
Cash flow from operating activities		
	<u>31,297</u>	<u>33,440</u>
Investing activity		
Purchase of capital assets	(24,277)	-
	<u>(24,277)</u>	<u>-</u>
Investing activity		
	<u>(24,277)</u>	<u>-</u>
Increase in cash flow	7,020	33,440
Cash - beginning of year	427,886	394,446
	<u>427,886</u>	<u>394,446</u>
Cash - end of year	<u>\$ 434,906</u>	<u>\$ 427,886</u>
Cash consists of:		
Cash	\$ 145,537	\$ 298,628
Term deposits	289,369	129,258
	<u>289,369</u>	<u>129,258</u>
	<u>\$ 434,906</u>	<u>\$ 427,886</u>

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

Notes to Financial Statements
Year Ended December 31, 2024

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 (ASNFPPO).

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 2024, the standard value is between \$1.12 to \$7.13 per lb, for an average value of \$4.13 per lb. 76,011.65 lbs (2023 - 89,583.37 lbs) of donated food has been valued at the rate of \$3.58 per pound (2023 - \$3.11 per pound) for a total value of \$272,121.37 (2023 - \$278,263.17). Management believes this reasonably reflects the fair value of donated food.

(continues)

CLARINGTON EAST ECONOMIC SUPPORT
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Notes to Financial Statements
Year Ended December 31, 2024

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.

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. Change in accounting policy - Capital Assets

Effective for the 2024 fiscal year, the entity changed its accounting policy for capital additions. Previously, capital additions were expensed as incurred. Beginning in 2024, such additions are capitalized and amortized over their estimated useful lives. This change was made to improve the relevance and reliability of the financial statements and better reflect the use of capital resources. The total amount capitalized in 2024 was \$24,277. Comparative figures have not been restated, as retrospective application would be impracticable given the organization's limited resources. This policy has been applied prospectively.

CLARINGTON EAST ECONOMIC SUPPORT
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Notes to Financial Statements
Year Ended December 31, 2024

6. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 24,277	\$ 2,428	\$ 21,849	\$ -

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Equipment 20% declining balance method

The charity regularly reviews its capital assets to eliminate obsolete items.

7. Short term investments

	2024	2023
GIC's and term deposits	\$ 23,220	\$ 22,314
DUCA GIC	266,149	106,944
	\$ 289,369	\$ 129,258

Short term investments consists of GIC's managed by CIBC and DUCA. The investments bear an interest rates between 3.15% and 5.35% with maturity dates in the 2025 fiscal year.

8. Grants

The organization received \$32,818 in grants in 2024. The food bank is required to track and pyear that the related expenses are incurredrovide a report for all expenses related to these grants. All grants were recognized as revenue in the current year.

9. 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.

	2024	2023
Beginning balance	\$ 1,635	\$ 9,800
Additions during the year	-	10,000
Amounts recognized as revenue in the year	(1,635)	(18,165)
Balance, end of year	\$ -	\$ 1,635

CLARINGTON EAST ECONOMIC SUPPORT
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Notes to Financial Statements

Year Ended December 31, 2024

10. 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. The lease is currently being negotiated and the expected future minimum lease payments as at December 31, 2024, are as follows:

	Capital	Operating	Total
2025	\$ -	\$ 30,400	\$ 30,400
2026	-	32,048	32,048
2027	-	33,744	33,744
	<u>\$ -</u>	<u>\$ 96,192</u>	<u>\$ 96,192</u>

11. 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, 2024.

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.