

**GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT**

AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
**Gloucester Emergency Food Cupboard Audit:**

### **Qualified opinion**

We have audited the financial statements of Gloucester Emergency Food Cupboard Audit ("the Entity"), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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.

### **Basis for qualified opinion**

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, net revenue for the year, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Other matter**

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed a the same qualified opinion on those financial statements on June 16, 2023

### **Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario

June 4, 2024

# GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	2023	2022
<b>CURRENT ASSETS</b>		
Cash	\$ 217,042	\$ 102,020
Short term investments (note 2)	531,457	515,340
Accounts receivable	23,025	27,861
	<u>771,524</u>	<u>645,221</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 18,958	\$ 21,680
Deferred revenue (note 4)	77,496	25,000
Government remittances payable	1,980	1,825
	<u>98,434</u>	<u>48,505</u>
<b>NET ASSETS</b>		
Internally restricted (note 5)	585,000	505,000
Unrestricted net assets	88,090	91,716
	<u>\$ 771,524</u>	<u>\$ 645,221</u>

Approved on behalf of the Board:

*Nadine Mansour*

President Chair of the Board of Directors

*Theodore Tsang*

Theodore Tsang (Jun 13, 2024 14:03 EDT)

Treasurer

## GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
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INTERNALLY RESTRICTED (note 5)		
Balance beginning of the year	\$ 505,000	\$ 505,000
Transfer to unrestricted net assets	\$ 80,000	\$ -
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	\$ 585,000	\$ 505,000
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UNRESTRICTED NET ASSETS		
Balance beginning of year	\$ 91,716	\$ 50,839
Transfer to internally restricted	(80,000)	-
Net revenue (expense) for the year	76,374	40,877
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Balance end of year	\$ 88,090	\$ 91,716
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GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>REVENUE</b>		
Donations	\$ 129,637	\$ 127,297
Foundations	73,232	108,187
Fundraising activities	104,076	90,476
Grants	63,748	53,184
Job support	14,352	21,146
Interest income	16,117	6,622
	401,162	406,912
<b>EXPENSE</b>		
Program expenses	149,166	214,476
Salary and benefits	127,252	124,629
Fundraising expenses	5,064	3,367
Board meetings	890	1,193
Equipment and maintenance	320	1,652
Insurance	2,306	3,119
Interest and bank charges	912	571
Office	7,772	9,233
Professional fees	31,106	7,795
	324,788	366,035
<b>NET REVENUE (EXPENSE) FOR THE YEAR</b>	<b>\$ 76,374</b>	<b>\$ 40,877</b>

# GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue for the year	\$ 76,374	\$ 40,877
Change in non-cash working capital items:		
Accounts receivable	4,836	(21,466)
Accounts payable and accrued liabilities	(2,722)	17,315
Deferred revenue	52,496	-
Government remittances payable	155	(6,617)
	<u>131,139</u>	<u>30,109</u>
<b>INVESTING ACTIVITIES</b>		
(Increase) decrease in investments	(16,117)	6,622
Change in cash	<u>115,022</u>	<u>36,731</u>
<b>CASH - BEGINNING OF THE YEAR</b>	<u>102,020</u>	<u>65,289</u>
<b>CASH - END OF YEAR</b>	<u>\$ 217,042</u>	<u>\$ 102,020</u>

**GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

Gloucester Emergency Food Cupboard is a registered charity incorporated without share capital under the laws of Ontario. The mission of the organization is to alleviate food insecurity in our community by working together to create opportunities to access and share good food. We do this through innovative food programming, partnerships, and civic engagement. The Organization is a registered charity under the Income Tax Act, and as such, is exempt from income taxes and may issue income tax receipts to donor.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Revenue recognition**

The organization follows the deferral method of accounting for contributions. 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. Endowment contributions are recognized as direct increases in net assets.

**(b) Use of estimates**

The preparation of these 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. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

**(c) Financial instruments**

The organization initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

**GLOUCESTER EMERGENCY FOOD CUPBOARD AUDIT**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

2. INVESTMENTS

Investments consist of guaranteed investment certificates with interest rates of 4.25 to 4.5% that will mature in 2024.

3. FINANCIAL INSTRUMENTS

The organization is exposed to currency, interest rate and market risks through its investments. The organization follows investment policies and practices to control the amount of risk to which it is exposed. The maximum investment risk is represented by the fair value of investments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amounts of the financial instruments approximate their fair value.

4. DEFERRED REVENUE

Deferred revenue represents grant and Foundation revenues that have been allocated to match expenditures that will be incurred in the subsequent fiscal period.

5. INTERNALLY RESTRICTED

	2023	2022
Program	\$ 80,000	\$ 65,000
Operations	60,000	45,000
General	20,000	20,000
Building	425,000	375,000
	<u>\$ 585,000</u>	<u>\$ 505,000</u>

6. COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year.

# GEFC AUDITED FS 2023 (002)

Final Audit Report

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