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CENTRAL FOOD NETWORK

FINANCIAL STATEMENTS

Year ended December 31, 2024

Docusign Envelope ID: AE63CFDD-D6D9-4786-95D1-B5CB2BB18992

CENTRAL FOOD NETWORK

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December 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Central Food Network

We have reviewed the accompanying financial statements of Central Food Network (the "Organization") that comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets, cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management and directors' 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 determine 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 donations and fundraising activities, the completeness of which is not susceptible to satisfactory verification. Accordingly, verification 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 donation and fundraising revenue, statement of operations, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our conclusion on the financial statements for the year ended December 31, 2023 was qualified accordingly because of the possible effects of this limitation in scope.

Ascend

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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 Central Food Network as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Ascend

Ascend LLP, Chartered Professional Accountants, LPA
Bancroft, Ontario
May 30, 2025

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CENTRAL FOOD NETWORK
STATEMENT OF OPERATIONS
Year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenues			
Highlands East Food Hub, Schedule 1	$ 66,500	$ 96,749	$ 100,731
Heat Bank, Schedule 2	73,900	108,624	54,845
Other donations	90,000	53,164	48,325
Cardiff Food Bank, Schedule 3	24,700	28,435	24,274
Interest income	3,000	7,921	5,555
Haliburton County LIP Grant	-	4,000	-
Amortization of deferred capital contributions - note 9	-	2,586	1,964
	258,100	301,479	235,694
Expenditures			
Heat Bank, Schedule 2	92,330	112,028	79,428
Highlands East Food Hub, Schedule 1	61,242	101,349	74,269
Cardiff Food Bank, Schedule 3	21,712	31,149	21,378
Salaries and benefits	42,000	17,942	24,336
Professional fees	18,200	3,527	3,001
Bank service charges	1,800	2,171	1,239
Travel	1,200	1,730	593
Volunteer services	3,000	473	334
Operational supplies	1,900	472	142
Advertising and promotion	3,100	471	241
Insurance	2,450	558	479
Membership fees	100	231	-
Fundraising	4,500	67	75
Fundraising expenses	400	-	-
	253,934	272,168	205,515
Excess of revenues over expenditures from operations	4,166	29,311	30,179
Other income (expense)			
Loss on sale of tangible capital assets	-	(567)	-
Excess of revenues over expenditures	**$ 4,166**	**$ 28,744**	**$ 30,179**

The accompanying notes are an integral part of these financial statements

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CENTRAL FOOD NETWORK
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2024

	2024			
	Total	General Fund	Capital Reserve Fund	Restricted Heat Bank Fund (Schedule 1)
Net assets, beginning of year	$ 269,688	$ 165,988	$ -	$ 103,700
Excess (deficiency) of revenues over expenditures	28,744	31,200	-	(2,456)
Internally restricted - note 2	-	(20,000)	20,000	-
Net assets, end of year	**$ 298,432**	**$ 177,188**	**$ 20,000**	**$ 101,244**

	2023		
	Total	General Fund	Restricted Heat Bank Fund (Schedule 1)
Net assets, beginning of year	$ 239,509	$ 111,226	$ 128,283
Excess (deficiency) of revenues over expenditures	30,179	54,762	(24,583)
Net assets, end of year	**$ 269,688**	**$ 165,988**	**$ 103,700**

The accompanying notes are an integral part of these financial statements

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CENTRAL FOOD NETWORK
STATEMENT OF FINANCIAL POSITION
December 31, 2024

	2024	2023
ASSETS		
Current		
Cash	$ 131,027	$ 166,945
Guaranteed investment certificates - note 5	155,733	104,175
Accounts receivable	1,190	150
Prepaid expenses	4,271	2,386
Harmonized sales tax recoverable	3,484	10,101
	295,705	283,757
Long-term guaranteed investment certificate - note 6	10,335	-
Tangible capital assets - note 7	55,665	68,274
	$ 361,705	**$ 352,031**
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liability - note 8	$ 22,942	$ 32,646
Deferred capital contributions - note 9	40,331	49,697
	63,273	82,343
Unrestricted	177,188	165,988
Internally restricted	20,000	-
Restricted heat bank fund (schedule 1)	101,244	103,700
	298,432	269,688
	$ 361,705	**$ 352,031**

On behalf of the board

X Daniel Chan Member

X Nancy Wright-Laking Member

The accompanying notes are an integral part of these financial statements

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CENTRAL FOOD NETWORK

STATEMENT OF CASH FLOWS

Year ended December 31, 2024

	2024	2023
Operating activities		
Excess of revenues over expenditures	$ 28,744	$ 30,179
Adjustments for items which do not affect cash		
Amortization	18,860	13,270
Loss on sale of tangible capital assets	567	-
Amortization of deferred capital contributions - note 9	(14,810)	(10,704)
Unrealized investment income	(6,067)	(4,175)
	27,294	28,570
Change in non-cash working capital items		
Accounts receivable	(1,040)	640
Prepaid expenses	(1,885)	(254)
Harmonized sales tax	6,617	(4,844)
Deferred capital contributions	5,444	48,794
Accounts payable and accrued liability	(9,704)	6,825
	26,726	79,731
Investing activities		
Purchase of guaranteed investment certificates	(160,000)	(150,000)
Proceeds of maturedguaranteed investment certificates	104,174	50,000
Purchase of tangible capital assets	(7,918)	(60,222)
Proceeds on disposal of tangible capital assets	1,100	-
	(62,644)	(160,222)
Decrease in cash	(35,918)	(80,491)
Cash, beginning of year	166,945	247,436
Cash, end of year	**$ 131,027**	**$ 166,945**

The accompanying notes are an integral part of these financial statements

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. NATURE OF OPERATIONS

Central Food Network (the "Organization") is a not-for-profit organization incorporated under the Societies Act of Ontario. The Organization was formed to assist the community and partners share food resources and create opportunities to help those living in poverty. As a registered charity, the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Tangible capital assets

Tangible capital assets are recorded at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over its useful life on a declining basis at the following rates:

Vehicle	30%
Equipment	20%

The Organization regularly reviews its equipment to eliminate obsolete items. Government grants are deferred and amortized to revenue equal to the amount of amortization of the related tangible capital asset.

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

Amortization is recorded at the beginning of the month the tangible capital assets are available for use until the asset is disposed of or use is discontinued.

Cash

Cash and cash equivalents consist of cash on hand, deposits with banks and cheques issued and outstanding.

Contributed services

Directors, committee members and volunteers volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and guaranteed investment certificate.

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

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Fund accounting

The Organization follows the deferral method of fund accounting.

The General Fund accounts for the collection of unrestricted donations and fundraising activities.

The Restricted Heat Bank Fund accounts for amounts for which the use is restricted by the donors and related investment income on the fund balance, to provide support to low income individuals with heating costs.

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement uncertainty

The preparation of the 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 liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Such estimates are periodically reviewed and any adjustments necessary are reported in income in the period in which they become known. Actual results could differ from these estimates. Significant items subject to estimates and assumptions include:

- Amortization of tangible capital assets;
- Estimated useful life of tangible capital assets;
- Allocation of expenses by division; and
- Amortization of deferred capital contributions.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Internally restricted funds are transferred from net assets for specific purposes. Their usages are at discretion of and as approved by the Board of Directors.

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

Contributions restricted for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis that the tangible capital asset is amortized.

Allocated expenditures

The Organization records its expenses by divisions: Heat Bank, Highlands East Food Hub, Cardiff Food Bank and Central Food Network.

Insurance, professional fees, salaries and benefits, and program supplies are allocated proportionately based on the revenue recognized by each division.

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

3. FINANCIAL INSTRUMENT RISKS

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:

(a) Market risk

Market risk is the risk that the fair value or 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 Organization is mainly exposed to interest rate risk.

(b) 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 Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Organization to a fair value risk, while the floating-rate financial instruments subject the Organization to a cash flow risk.

(c) Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liability.

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

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

4. HIGHLANDS EAST FOOD HUB GRANT INCOME

	2024	2023
Standards of Excellence - Food Banks Canada	$ 11,835	$ -
Canada Summer Job Grant	4,832	4,874
Employment and Social Development Canada	5	-
	$ 16,672	$ 4,874

5. GUARANTEED INVESTMENT CERTIFICATES

	2024	2023
Guaranteed investment certificate with Scotiabank, bearing interest at 4.25% per annum, maturing in January 2025.	$ 93,616	$ -
Guaranteed investment certificate with Scotiabank, bearing interest at 4.50% per annum, maturing in March 2025.	51,732	-
Guaranteed investment certificate with Scotiabank, bearing interest at 5.00% per annum, maturing in August 2025.	10,385	-
Guaranteed investment certificate with Scotiabank, bearing interest at 4.9% per annum, matured during the year.	-	104,175
	$ 155,733	$ 104,175

6. LONG-TERM GUARANTEED INVESTMENT CERTIFICATE

	2024	2023
Guaranteed investment certificate with Scotiabank, bearing interest at 4.35% per annum, maturing in March 2028.	$ 10,335	$ -

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

7. TANGIBLE CAPITAL ASSETS

			2024	2023
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Vehicles	$ 57,686	$ 23,363	$ 34,323	$ 50,700
Heat Bank Equipment	3,332	1,829	1,503	860
Highland East Food Hub equipment	36,044	16,761	19,283	16,019
Cardiff Food Bank equipment	695	139	556	695
	$ 97,757	$ 42,092	$ 55,665	$ 68,274

During the year, the Organization had total amortization of $19,669 (2023 - $13,270) consisting of $372 (2023 - $215) in Heat Bank expenses and $19,297 (2023 - $13,055) in Highland East Food Hub expenses.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

	2024	2023
Trade payables	$ 12,448	$ 20,101
Accrued liability	7,225	7,450
Government remittances	3,043	3,143
Vacation payable	226	1,952
	$ 22,942	$ 32,646

9. DEFERRED CAPITAL CONTRIBUTIONS

	Equipment	Vehicles	Total
Opening balance	$ 7,520	$ 42,177	$ 49,697
Contributions	6,525	-	6,525
Amortization	(1,505)	(13,305)	(14,810)
	$ 12,540	$ 28,872	$ 41,412

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CENTRAL FOOD NETWORK
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

10. ALLOCATED EXPENDITURES

The Organization allocates shared expenses to the respective division as follows:

	Cardiff Food Bank	Heat Bank	Highlands East Food Hub
Insurance	$ 547	$ 547	$ 547
Professional fees	1,606	6,406	5,573
Salaries and benefits	11,100	65,664	35,945
Program supplies	21	1,041	2,620
	$ 13,274	$ 73,658	$ 44,685

11. CONTINGENT LIABILITIES

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

There were no contingent liabilities that would have a material impact on these financial statements

12. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

13. BUDGET AMOUNTS

The 2024 budget amounts on the Statement of Operations and the Schedules to the Financial Statements, are presented for information purposes only.

14. CORRESPONDING FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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CENTRAL FOOD NETWORK
SCHEDULES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2024

SCHEDULE OF HIGHLANDS EAST FOOD HUB

Schedule 1

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Other donations	$ 49,500	$ 63,606	$ 87,116
Amortization of deferred contributions - note 9	-	13,305	8,741
Grant income - note 4	10,000	16,672	4,874
Support	7,000	3,166	-
	66,500	96,749	100,731
Expenditures			
Salaries and benefits	20,800	35,945	16,546
Amortization	-	18,364	13,055
Food supplies	16,630	17,375	15,118
Travel	14,500	11,428	13,338
Professional Fees	-	5,573	8,017
Facility maintenance	4,500	3,565	279
Program supplies	750	2,620	1,752
Community cooks	1,500	1,249	1,178
Membership Fees	1,150	1,107	1,064
Telephone	800	990	801
Advertising	-	954	506
Volunteer Services	-	779	864
Insurance	-	547	1,245
Payment processing charges	600	679	376
Web Site Development	-	99	118
Fundraising Expenses	-	63	-
Rent	12	12	12
	61,242	101,349	74,269
(Deficiency) excess of revenues over expenditures	**$ 5,258**	**$ (4,600)**	**$ 26,462**

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CENTRAL FOOD NETWORK
SCHEDULES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2024

SCHEDULE OF HEAT BANK

Schedule 2

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Other donations	$ 71,400	$ 102,909	$ 52,605
Volunteer income tax program	2,500	5,715	2,240
	73,900	108,624	54,845
Expenditures			
Salaries and benefits	63,430	65,664	54,095
Client assistance	21,000	26,804	13,400
Professional fees	-	6,406	2,723
Travel	4,000	3,840	3,009
Payment processing charges	1,500	2,024	1,398
Telephone	1,400	1,496	1,319
Program supplies	1,000	1,041	1,653
Advertising and donations	-	1,229	406
Fundraising	-	2,484	749
Insurance	-	547	421
Amortization	-	357	215
Software and web pages	-	136	40
	92,330	112,028	79,428
Deficiency of revenues over expenditures	**$ (18,430)**	**$ (3,404)**	**$ (24,583)**

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CENTRAL FOOD NETWORK
SCHEDULES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2024

SCHEDULE OF CARDIFF FOOD BANK

Schedule 3

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Public Donations	$ 24,700	$ 25,185	$ 24,274
Standards of Excellence - Food Banks Canada	-	3,250	-
	24,700	28,435	24,274
Expenditures			
Food supplies	14,250	14,719	14,176
Salaries and benefits	4,500	11,100	4,272
Professional Fees	-	1,606	1,352
Travel expense	2,100	1,130	576
Cardiff Internet	800	805	457
Payment processing charge	50	447	228
Auto Expenses	-	439	-
Insurance	-	547	217
Advertising	-	184	88
Amortization	-	139	-
Supplies	-	21	-
Rent	12	12	12
	21,712	31,149	21,378
(Deficiency) excess of revenues over expenditures	**$ 2,988**	**$ (2,714)**	**$ 2,896**