

FOOD SECURE CANADA
FINANCIAL STATEMENTS
AUGUST 31, 2012

SUMMARY

Review engagement report	1
Statement of income	2
Statement of changes in net assets	3
Balance sheet	4
Statement of cash flow	5
Notes to financial statements	6 - 8
Additional information	9

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REVIEW ENGAGEMENT REPORT

To the Directors of
FOOD SECURE CANADA

We have reviewed the balance sheet of FOOD SECURE CANADA as at August 31, 2012 and the statements of income, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

The comparative figures have been audited by another auditor.

*Dagenais Lapierre Simard et Associé SENCRL*¹

Montreal, May 3, 2013

¹ By Robert Schanck, CPA auditor, CA

FOOD SECURE CANADA
STATEMENT OF INCOME

FOR THE YEAR ENDED AUGUST 31, 2012
(unaudited)

	<u>2012</u>	<u>2011</u>
REVENUES		
Grants (Schedule A)	\$ 116,544	\$ -
Membership fees	34,283	11,030
Assembly	-	35,853
Assembly sponsorships	-	15,100
Projects	-	1,578
General Donations	38,510	-
Investment income	279	150
NRR/RON Project	-	15,155
Other revenues	<u>3,938</u>	<u>-</u>
	<u>193,554</u>	<u>78,866</u>
EXPENSES		
Assembly	-	25,862
Communications	650	726
Media	305	-
Translation	4,665	1,900
Graphic design	705	-
Printing	13,833	-
Food Policy	-	720
NRR / RON Information Technology	302	2,500
Steering Committee	14,186	1,112
Travel	6,156	1,000
Conferences	3,286	-
Meeting expenses	160	-
Contract IT	4,590	4,948
Web Hosting	124	-
Associations	65	-
Salary and wages	183,518	21,887
Bank charges and interest	747	1,061
Postage and courier	743	23
Rental	1,573	-
Telephone	2,573	-
Office supplies	665	-
Office equipment	729	-
Office maintenance	345	-
Other	<u>8,402</u>	<u>-</u>
	<u>248,322</u>	<u>61,739</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (54,768)</u>	<u>\$ 17,127</u>
Information on income (note 7)		

FOOD SECURE CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2012
(unaudited)

	<u>2012</u>	<u>2011</u>
BALANCE, BEGINNING OF YEAR	\$ 80,914	\$ 63,787
Deficiency of revenues over expenses	<u>(54,768)</u>	<u>17,127</u>
BALANCE, END OF YEAR	<u>\$ 26,146</u>	<u>\$ 80,914</u>

FOOD SECURE CANADA
BALANCE SHEET
AS AT AUGUST 31, 2012
(unaudited)

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 96,908	\$ 33,964
Temporary investments (note 3)	-	50,150
Grants receivable	21,544	-
Prepaid expenses	<u>10,000</u>	<u>-</u>
	<u>\$ 128,452</u>	<u>\$ 84,114</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 4)	\$ 19,806	\$ 3,200
Deferred grants	75,000	-
Deferred sponsorships	<u>7,500</u>	<u>-</u>
	102,306	3,200
NET ASSETS		
UNRESTRICTED	<u>26,146</u>	<u>80,914</u>
	<u>\$ 128,452</u>	<u>\$ 84,114</u>

ON BEHALF OF THE BOARD,

_____, Director

_____, Director

FOOD SECURE CANADA
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED AUGUST 31, 2012
(unaudited)

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (54,768)	\$ 17,127
Net change in non-cash working capital items		
Grants receivable	(21,544)	(150)
Prepaid expenses	(10,000)	-
Accounts payable	16,606	3,200
Deferred grants	75,000	-
Deferred sponsorships	<u>7,500</u>	<u>-</u>
	12,794	20,177
INVESTING ACTIVITY		
Cashed term deposit	<u>50,150</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	62,944	20,177
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,964</u>	<u>13,787</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 96,908</u>	<u>\$ 33,964</u>

Cash and cash equivalents consist of cash.

FOOD SECURE CANADA

NOTES TO FINANCIAL STATEMENTS

AS AT AUGUST 31, 2012

(unaudited)

1. STATUS AND PURPOSE OF THE ORGANIZATION

Food Secure Canada incorporated as not-for-profit organization under the Canada Corporations Act in October 2006. Food Secure Canada is a Canada-wide alliance of civil society organizations and individuals collaboration to advance dialogue and cooperation for policies and programs that improve food security in Canada and globally.

They achieve this by:

1. Identifying at the bi-annual conference of FSC/SAC a set of projects of Canada-wide importance (involving research and data collection, campaigns, education, programming and policy making) that FSC/SAC helps members carry out;
2. Providing support to members (strategic planning, training, tools, program design advice, services, information, fundraising support) that increases the capacity of civil society to be an effective voice for food security in Canada;
3. Creating a space for debate, exchange, help, coordination of efforts, and pooling of resources.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that 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 reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Revenue Recognition

The organization follows the deferral method of accounting for contributions. All unrestricted contributions are recognized as income in the current period. Restricted contributions are recognized as income in the same period in which the related expenses are incurred.

Membership fees and donations are recognized as revenue proportionately over the fiscal year to which they relate.

FOOD SECURE CANADA
NOTES TO FINANCIAL STATEMENTS
AS AT AUGUST 31, 2012
(unaudited)

3. TEMPORARY INVESTMENTS

	<u>2012</u>	<u>2011</u>
Temporary investments	\$ <u>-</u>	\$ <u>50,150</u>

4. ACCOUNTS PAYABLE

	<u>2012</u>	<u>2011</u>
Trade accounts payable	\$ 19,806	\$ -
Contract funds	<u>-</u>	<u>3,200</u>
	<u>\$ 19,806</u>	<u>\$ 3,200</u>

5. DEFERRED GRANTS

Funding for operating activities

	<u>The J.W. McConnell Family Foundation</u>
Amount received	\$ 140,000
Less: amount recognized as revenue in the year	<u>(65,000)</u>
Amount related to the following year	<u>\$ 75,000</u>

There have been no deferred grants from the prior year.

6. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

FOOD SECURE CANADA

NOTES TO FINANCIAL STATEMENTS

AS AT AUGUST 31, 2012
(unaudited)

6. FINANCIAL INSTRUMENTS (continued)

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Organization does not normally require a guarantee.

Fair value

The fair value of cash, temporary investments, accounts receivable, the bank overdraft, accounts payable, and client deposits is approximately equal to their carrying value given their short-term maturity date.

7. INFORMATION ON INCOME

The organization has decided to use the accumulated surplus as at August 31, 2011 in this year's activities before they had confirmation of the grant from The J.W. McConnell Family Foundation.

FOOD SECURE CANADA

ADDITIONAL INFORMATION

FOR THE YEAR ENDED AUGUST 31, 2012
(unaudited)

	<u>2012</u>	<u>2011</u>
SCHEDULE A		
GRANTS		
Minister of State Agriculture and Agri-Food Canada	\$ 21,544	\$ -
The J.W. McConnell Family Foundation	65,000	-
Inter Pares	<u>30,000</u>	<u>-</u>
	<u>\$ 116,544</u>	<u>\$ -</u>