

FOOD SECURE CANADA

FINANCIAL STATEMENTS

AUGUST 31, 2010

**FOOD SECURE CANADA**

**FINANCIAL STATEMENTS**

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**AUDITOR'S REPORT**

To The Board Members,  
FOOD SECURE CANADA,  
Winnipeg, Manitoba

I have audited the statement of financial position of FOOD SECURE CANADA as at AUGUST 31, 2010 and the statements of operations, of changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

***Management's Responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Not For Profit Financial Reporting Standards, 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.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

"See Auditor's Report and Accompanying Notes"

***Basis for Qualified Opinion***

In common with many not for profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and therefore we were not able to determine whether any adjustments might be necessary to other revenues, excess of revenues over expenditures, assets and net assets.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of FOOD SECURE CANADA as at AUGUST 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian Not For Profit Financial Reporting Standards.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of FOOD SECURE CANADA as at AUGUST 31, 2010 and the results of its operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

**SIMON HALL**  
**CHARTERED ACCOUNTANT**

March 4, 2011  
Winnipeg, Manitoba

**FOOD SECURE CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
	\$	\$
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash in bank	13,787	74,052
Investments	50,000	-
Accounts receivable	-	2,230
Total Current Assets	<u>63,787</u>	<u>76,282</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	-	565
Total Current Liabilities	<u>-</u>	<u>565</u>
<b><u>NET ASSETS</u></b>		
Opening net assets	75,717	71,623
Current year surplus	<u>(11,930)</u>	<u>4,094</u>
	<u>63,787</u>	<u>75,717</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>63,787</u></u></b>	<b><u><u>76,282</u></u></b>

**APPROVED BY BOARD:**

\_\_\_\_\_ : Director

\_\_\_\_\_ : Director

**FOOD SECURE CANADA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>REVENUES :</b>		
Membership fees	13,252	7,498
Assembly	12,500	-
Projects	5,670	-
General Donations	2,900	-
Total Revenue	<u>34,322</u>	<u>7,498</u>
<b>EXPENDITURES :</b>		
Assembly	1,693	-
Assembly - 2008	751	-
Bank charges and interest	148	2
Contract IT	12,120	315
Communications	1,024	-
Postage and courier	184	-
Printing	47	-
Steering Comm	1,450	-
Salary and wages	25,194	3,087
Travel	1,148	-
Translation	2,362	-
Web Hosting	131	-
Total Expenditures	<u>46,252</u>	<u>3,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,930)</u>	<u>4,094</u>

"See Auditor's Report and Accompanying Notes"

**FOOD SECURE CANADA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**

	Invested in Capital <u>Assets</u>	<u>Unrestricted</u>	<b>2010 <u>Total</u></b>	2009 <u>Total</u>
	\$	\$	\$	\$
Balance, beginning of year	-	75,717	<b>75,717</b>	71,623
Excess (deficiency) of revenues over expenditures assets	<u>-</u>	<u>(11,930)</u>	<u><b>(11,930)</b></u>	<u>4,094</u>
Closing balance	<u><u>-</u></u>	<u><u>63,787</u></u>	<u><u><b>63,787</b></u></u>	<u><u>75,717</u></u>

"See Auditor's Report and Accompanying Notes"

**FOOD SECURE CANADA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Excess (deficiency) of revenues over expenditures	(11,930)	4,094
Add back depreciation & amortization	<u>-</u>	<u>-</u>
Net Cash From Operations	(11,930)	4,094
Changes in working capital:		
Accounts receivable	(47,770)	-
Accounts payable	<u>(565)</u>	<u>-</u>
<b>CASH FROM (FOR) OPERATING ACTIVITIES</b>	<u>(60,265)</u>	<u>4,094</u>
<b>CASH PROVIDED BY (USED FOR) FINANCING AND INVESTMENT ACTIVITIES:</b>		
Increase (decrease) in cash for the year	(60,265)	4,094
Cash surplus (deficit), beginning of year	<u>74,052</u>	<u>69,958</u>
Cash surplus (deficit), end of year	<u><u>13,787</u></u>	<u><u>74,052</u></u>
Represented by:		
Cash in bank	<u><u>13,787</u></u>	<u><u>74,052</u></u>

"See Auditor's Report and Accompanying Notes"



**FOOD SECURE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**

**1. FORM OF ORGANIZATION**

Food Secure Canada was incorporated as a 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 collaborating 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for non-profit organizations which encompass the following principles:

***i) 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.

**FOOD SECURE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**

**ii) Capital Assets**

Capital assets are recorded at cost and depreciated over their estimated useful life on a straight line basis over the following number of years:

Leasehold Improvements	5 years
Equipment	5 years

**iii) Assistance received in acquisition of Capital Assets**

Assistance is recorded as a reduction of the cost of the applicable capital assets or credited in the statement of operations as determined by the nature of the assistance.

"See Auditor's Report"