

**FOOD SECURE CANADA**

**Financial Statements**

**August 31, 2024**

**FOOD SECURE CANADA**

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**Amstutz Inc.**  
**Comptables Professionnels Agréés**

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
FOOD SECURE CANADA

**Qualified Opinion** - We have audited the financial statements of FOOD SECURE CANADA (the Organization), which comprise the balance sheet as at August 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 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.

**Basis for Qualified Opinion** - In common with many not-for-profit organizations, the Organization derives revenue from 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 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 years ended August 31, 2024 and 2023, current assets as at August 31, 2024 and 2023, and net assets as at September 1 and August 31 for both 2024 and 2023 years. The audit opinion on the financial statements for the year ended August 31, 2023 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 Organization 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.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements** - Management is responsible for the preparation and fair presentation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.



By: R. Amstutz, CPA auditor  
October 24, 2024  
Montreal, Quebec  
Permit No: A105202

FOOD SECURE CANADA  
STATEMENT OF OPERATIONS  
year ended August 31, 2024

	<u>2 0 2 4</u>	<u>2 0 2 3</u>
<b>REVENUES</b>		
Federal government grants		
Minister of Agriculture and Agri-Food Innovation, Science and Economic Development Canada	\$ 245,581	\$ 395,569
Canada Summer Jobs	208,736	-
Foundations	5,082	-
People's Food Institute	271,898	449,638
Inter Pares	65,950	41,512
Heart and Stroke Foundation of Canada	10,000	-
Mazon Canada	8,000	7,125
Coalition for Healthy School Food	7,393	-
Show Kids You Care	-	3,000
Miscellaneous	31,861	15,570
Memberships	3,703	3,761
Interest	959	-
Donations	<u>673</u>	<u>29,077</u>
	<u>859,836</u>	<u>945,252</u>
<b>EXPENSES</b>		
Salaries and fringe benefits	411,868	306,736
Contracts	324,701	524,630
Administration fees	31,861	17,248
Telecommunications	31,000	9,252
Professional fees	22,954	15,883
Travel	17,458	11,850
Rent and utilities	17,220	7,534
Translation	8,931	-
Honorarium	8,316	200
Amortization of capital and intangible assets	5,384	5,324
Professional development	3,332	2,365
Conference fees	3,043	5,100
Insurance	3,026	-
Interest and bank charges	1,695	1,460
Office and program supplies	1,606	55,855
Subscriptions	708	-
Hospitality	574	-
Advertising	513	-
Taxes and licenses	<u>460</u>	<u>460</u>
	<u>894,650</u>	<u>963,897</u>
(DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>(34,814)</u>	\$ <u>(18,645)</u>

The accompanying notes form an integral part of the financial statements.

**FOOD SECURE CANADA**  
**STATEMENT OF CHANGES IN ASSETS**  
**year ended August 31, 2024**

	Restricted Funds			Unrestricted funds	2 0 2 4	2 0 2 3
	Invested in capital assets	Invested in intangible assets	Internally restricted funds			
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	4,701	16,596	35,000	(49,918)	6,379	25,024
Deficiency of revenues over expenses	-	-	-	(34,814)	(34,814)	(18,645)
Acquisition of capital assets	1,473	-	-	(1,473)	-	-
Amortization of capital assets	(1,236)	-	-	1,236	-	-
Amortization of intangible assets	-	(4,148)	-	4,148	-	-
Decrease in internally restricted funds	-	-	(35,000)	35,000	-	-
Balance, end of year	<u>4,938</u>	<u>12,448</u>	<u>-</u>	<u>(45,821)</u>	<u>(28,435)</u>	<u>6,379</u>

The accompanying notes form an integral part of the financial statements.

FOOD SECURE CANADA  
BALANCE SHEET  
as at August 31, 2024

	<u>2 0 2 4</u>	<u>2 0 2 3</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 102,309	\$ 82,966
Term deposit, interest 4.0% (2023 - 3.0%, maturing May 2025	5,710	5,520
Accounts receivable (Note 3)	114,753	81,357
Prepaid expenses	<u>9,884</u>	<u>8,780</u>
	232,656	178,623
<b>CAPITAL ASSETS ((Note 4)</b>	4,938	4,701
<b>INTANGIBLE ASSETS ((Note 5)</b>	<u>12,448</u>	<u>16,596</u>
	<u>\$ 250,042</u>	<u>\$ 199,920</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges (Note 7)	\$ 60,202	\$ 71,549
Deferred revenues (Note 8)	<u>218,275</u>	<u>121,992</u>
	<u>278,477</u>	<u>193,541</u>
<b>NET ASSETS (NEGATIVE)</b>		
<b>NET ASSETS (NEGATIVE)</b>		
Restricted		
Invested in capital assets	4,938	4,701
Invested in intangible assets	12,448	16,596
Internally restricted	-	35,000
Unrestricted	<u>(45,821)</u>	<u>(49,918)</u>
	<u>(28,435)</u>	<u>6,379</u>
	<u>\$ 250,042</u>	<u>\$ 199,920</u>

CONTRACTUAL OBLIGATION (Note 9)

ON BEHALF OF THE BOARD

*Janet Dean*  
....., Director

*Tracy Little*  
....., Director

The accompanying notes form an integral part of the financial statements.

FOOD SECURE CANADA  
STATEMENT OF CASH FLOWS  
year ended August 31, 2024

	<u>2 0 2 4</u>	<u>2 0 2 3</u>
<b>OPERATING ACTIVITIES</b>		
(Deficiency) of revenues over expenses	\$ (34,814)	\$ (18,645)
Item not affecting cash		
Amortization of capital and intangible assets	<u>5,384</u>	<u>5,324</u>
	(29,430)	(13,321)
Changes in non cash operating working capital		
Accounts receivable	(33,396)	(61,862)
Term deposit	(190)	(92)
Prepaid expenses	(1,104)	(4,298)
Accounts payable and accrued charges	(11,347)	45,051
Deferred revenues	<u>96,283</u>	<u>(15,660)</u>
	<u>20,816</u>	<u>(50,182)</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	<u>(1,473)</u>	<u>(6,913)</u>
	<u>(1,473)</u>	<u>(6,913)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,343	(57,095)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>82,966</u>	<u>140,061</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ <u><u>102,309</u></u>	\$ <u><u>82,966</u></u>

Cash and cash equivalents are comprised of cash.

The accompanying notes form an integral part of the financial statements



**FOOD SECURE CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
as at August 31, 2024**

**1. STATUS AND PURPOSE OF THE ORGANIZATION**

The organization was incorporated under the Canada Corporations Act on October 19, 2006 and is a not-for-profit organization and is exempt from income taxes.

The organization is an alliance of organizations and individuals all across Canada working together to advance food security and food sovereignty.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount 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 may differ from these estimates.

**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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Self-financing**

Revenues from self-financing activities are recognized when the services are rendered or when the events have taken place.

**Contributed services and material**

Volunteers contribute an amount of their time each year. Because of the difficulty in determining their fair value, these hours are not recognized in these financial statements.

**Cash and cash equivalents**

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and marketable securities with a maturity period of three months or less from the date of acquisition.

FOOD SECURE CANADA  
 NOTES TO THE FINANCIAL STATEMENTS  
 as at August 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Capital assets are recorded at cost. They are amortized over their estimated useful lives using the straight-line method at rates varying from 3 to 5 years.

Intangible assets

Intangible assets are recorded at cost. They are amortized over their estimated useful lives using the straight-line method over 5 years.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued charges.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Allocation of expenses

The organization records a number of its expenses by program and activity. The expenses are allocated based on direct cost or management estimate as to the program they relate to. Salaries are allocated proportionally based on estimated hours worked for each program and activity.

3. ACCOUNTS RECEIVABLE		<u>2 0 2 4</u>		<u>2 0 2 3</u>
Accounts receivable	\$	28,000	\$	-
Government grants receivable		74,379		73,948
Sales taxes receivable		<u>12,374</u>		<u>7,409</u>
	\$	<u>114,753</u>	\$	<u>81,357</u>
4. CAPITAL ASSETS		<u>2 0 2 4</u>		<u>2 0 2 3</u>
		<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Computer equipment	\$	<u>17,132</u>	\$	<u>12,194</u>
		<u>4,938</u>		<u>4,701</u>
	\$	<u>17,132</u>	\$	<u>12,194</u>
		<u>4,938</u>		<u>4,701</u>

FOOD SECURE CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
as at August 31, 2024

5. INTANGIBLE ASSETS		<u>2 0 2 4</u>	<u>2 0 2 3</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Website	\$ <u>49,577</u>	\$ <u>37,129</u>	\$ <u>12,448</u>
	\$ <u>49,577</u>	\$ <u>37,129</u>	\$ <u>16,596</u>

6. LINE OF CREDIT

The organization has authorized amounts on credit cards of \$5,000, bearing interest at the rate of 19.99%.

7. ACCOUNTS PAYABLE AND ACCRUED CHARGES	<u>2 0 2 4</u>	<u>2 0 2 3</u>
Accounts payable	\$ 33,450	\$ 56,769
Salaries and vacations payable	<u>26,752</u>	<u>14,780</u>
	\$ <u>60,202</u>	\$ <u>71,549</u>

8. DEFERRED REVENUES	<u>2 0 2 4</u>	<u>2 0 2 3</u>
Opening balance	\$ 121,992	\$ 137,652
Received during the year	218,275	121,992
Recognized as revenue	<u>(121,992)</u>	<u>(137,652)</u>
Ending balance	\$ <u>218,275</u>	\$ <u>121,992</u>

The deferred revenues represent unused resources received during the year for specific activities. The amounts will be considered as revenue in the following year. The deferred revenues are comprised of the following:

Coalition for Healthy School Food		
People's Food Institute	\$ 150,460	\$ 100,968
Innovation, Science and Economic Development Canada	63,264	-
IRP Awareness Raising Fund - CCEDNet	4,551	17,442
Employment and Social Development Canada		
- SDG 2	-	3,263
Food Sovereignty	<u>-</u>	<u>319</u>
	\$ <u>218,275</u>	\$ <u>121,992</u>

FOOD SECURE CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
as at August 31, 2024

9. CONTRACTUAL OBLIGATION

The organization is committed under a lease for its premises for a term of one year, from March 1, 2024 to February 28, 2024. The monthly rent is \$1,564.

10. FINANCIAL INSTRUMENTS

Risks and concentrations - the organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date, i.e. August 31, 2024.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

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. The organization's main credit risks relate to its accounts receivable.

11. COMPARATIVE FIGURES

The figures presented for comparative purposes were audited by another independent auditor and are therefore not covered by this audit report.

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.

FOOD SECURE CANADA  
SCHEDULE OF OPERATIONS BY PROGRAM  
YEAR ENDED AUGUST 31, 2024

	AAFC ACOM	CCEDNET IRP	CHSF Arrell	CHSF contributors	CHSF Schad	Inter Pares	ISED-OCA	PFI- Walmart	SDG 2	Adminis- tration	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>												
<b>Federal government grants</b>												
Minister of Agriculture and Agri -Food Innovation, Science and Economic Development Canada	69,300	12,891	-	-	-	-	-	-	163,390	-	245,581	395,569
Canada Summer Jobs	-	-	-	-	-	-	208,736	-	-	5,082	208,736	-
<b>Foundations</b>												
People's Food Institute	-	-	129,801	21,496	135,063	-	-	25,530	-	3,000	271,898	449,638
Inter Pares	-	-	-	-	-	65,950	-	-	-	-	65,950	41,512
Heart and Stroke Foundation of Canada	-	-	-	10,000	-	-	-	-	-	-	10,000	-
Mazon Canada	-	-	-	8,000	-	-	-	-	-	-	8,000	7,125
Coalition for Healthy School Food	-	-	-	7,393	-	-	-	-	-	-	7,393	-
Show Kids You Care	-	-	-	-	-	-	-	-	-	-	-	3,000
Miscellaneous	-	-	-	-	-	-	-	-	-	31,861	31,861	15,570
Memberships	-	-	-	-	-	-	-	-	-	3,703	3,703	3,761
Interest	-	-	-	-	-	-	-	-	-	959	959	-
Donations	-	-	-	356	-	-	-	-	-	317	673	29,077
	<b>69,300</b>	<b>12,891</b>	<b>129,801</b>	<b>4,253</b>	<b>135,063</b>	<b>65,950</b>	<b>208,736</b>	<b>25,530</b>	<b>163,390</b>	<b>44,922</b>	<b>859,836</b>	<b>945,252</b>
<b>EXPENSES</b>												
Salaries and fringe benefits	24,480	-	38,417	-	18,130	65,950	153,672	29,056	53,005	29,258	411,868	306,736
Contracts	31,152	6,450	70,723	-	100,375	-	20,500	-	85,228	10,273	324,701	524,630
Administration fees	-	-	14,750	4,075	13,036	-	-	-	-	-	31,861	17,248
Telecommunications	3,100	-	2,661	27	170	-	18,068	-	5,208	1,766	31,000	9,252
Professional fees	123	-	-	-	-	-	9,620	-	12,143	1,068	22,954	15,883
Travel	-	-	-	-	3,000	-	3,803	2,384	8,271	-	17,458	11,850
Rent and utilities	1,462	-	-	-	-	-	-	-	-	16,758	17,220	7,534
Translation	1,075	4,941	1,082	-	-	-	-	1,200	653	-	8,931	-
Honorarium	4,672	1,500	550	-	-	-	1,033	-	-	561	8,316	200
Amortization of capital and intangible assets	-	-	-	-	-	-	-	-	-	5,384	5,384	5,324
Professional development	-	-	1,182	-	-	-	-	-	2,150	-	3,332	2,365
Conference fees	-	-	180	-	316	-	590	-	1,940	17	3,043	5,100
Insurance	1,513	-	-	-	-	-	-	-	-	1,513	3,026	-
Interest and bank charges	834	-	-	-	-	-	-	-	-	861	1,695	1,460
Office and program supplies	482	-	125	-	36	-	454	-	26	483	1,606	55,855
Subscriptions	50	-	151	151	-	-	9	-	147	200	708	-
Hospitality	-	-	-	-	-	-	574	-	-	-	574	-
Advertising	-	-	-	-	-	-	513	-	-	-	513	-
Taxes and licenses	357	-	-	-	-	-	-	-	-	103	460	460
	<b>69,300</b>	<b>12,891</b>	<b>129,801</b>	<b>4,253</b>	<b>135,063</b>	<b>65,950</b>	<b>208,736</b>	<b>32,640</b>	<b>168,771</b>	<b>67,245</b>	<b>894,650</b>	<b>963,897</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENSES</b>								<b>7,110</b>	<b>5,381</b>	<b>22,323</b>	<b>34,814</b>	<b>18,645</b>

# Food Secure Canada - financial statements - signed

Final Audit Report


2025-02-18

Created:	2025-01-11
By:	Food Secure Canada (campaign@foodsecurecanada.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAADQGag7Vta3AB7v7xpjJHKrJciWn--ITo


## "Food Secure Canada - financial statements - signed" History

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 Signer Celia Luo (jingyicelia.luo@gmail.com) entered name at signing as Jingyi Celia Luo

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 Document e-signed by Jingyi Celia Luo (jingyicelia.luo@gmail.com)

Signature Date: 2025-02-18 - 5:34:56 AM GMT - Time Source: server- IP address: 75.159.126.212

 Agreement completed.

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