

**FOOD SECURE CANADA  
FINANCIAL STATEMENTS  
AUGUST 31, 2020**

**FOOD SECURE CANADA  
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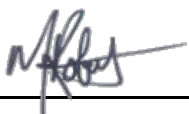
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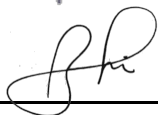
**FOOD SECURE CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	32,121	26,429
Temporary investments (note 3)	5,350	5,065
Government grants receivable	34,309	18,239
Accounts and contributions receivable	31,320	18,806
Sales tax receivable	11,520	2,512
Deferred costs (note 7)	-	-
Total current assets	114,620	71,051
<b>Capital assets (note 4)</b>	2,261	2,826
<b>Intangible assets (note 5)</b>	7,065	8,830
	<b>123,946</b>	<b>82,707</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals (note 6)	16,131	12,038
Deferred assembly revenues (note 7)	-	-
Deferred contributions (note 8)	111,177	43,484
	127,308	55,522
<b>NET ASSETS</b>		
Restricted	9,326	11,656
Unrestricted	(12,688)	15,529
	(3,362)	27,185
	<b>123,946</b>	<b>82,707</b>

ON BEHALF OF THE BOARD



Melana Roberts, Chair of the Board



Ashley Jean-Marie, Treasurer of the Board

See notes to Financial Statements

**FOOD SECURE CANADA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

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	<i>2020</i>	<i>2019</i>
	\$	\$
Balance, beginning of the year	27,185	35,673
Excess of expenses over revenues for the year	(30,547)	(8,488)
<b>Balance, end of year</b>	<b>(3,362)</b>	<b>27,185</b>
Represented by:		
Net assets invested in capital assets	9,326	11,656
Unrestricted net assets	(12,688)	15,529
	<b>(3,362)</b>	<b>27,185</b>

See notes to Financial Statements

**FOOD SECURE CANADA**  
**STATEMENT OF REVENUES OVER EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	<b>General</b>	<b>School Food</b>	<b>Eat Think Vote</b>	<b>McConnell Nourish</b>	<b>SDG</b>	<b>ISED</b>	<b>Total 2020</b>	<b>Total 2019</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>								
Foundations								
McConnell	-	34,000	-	-	-	-	34,000	145,967
Interpares	54,000	-	10,000	-	-	-	64,000	47,500
Heart & Stroke	-	4,250	-	-	-	-	4,250	5,650
VON Canada	-	8,500	-	-	-	-	8,500	8,493
Foodshare	-	-	-	-	-	-	-	250
SPCS	-	-	-	-	-	-	-	-
Other	11,963	-	35,610	-	-	-	47,573	72,889
Government								
Federal	48,623	-	-	-	33,022	146,631	228,276	130,899
Provincial	-	-	-	-	-	-	-	57,500
Sponsorships	-	-	-	-	-	-	-	126,767
Registration	-	-	-	-	-	-	-	174,233
Donations	18,825	12,130	-	-	-	-	30,955	34,956
Sales and services	14,060	-	-	-	-	-	14,060	19,511
Memberships	21,687	-	-	-	-	-	21,687	20,206
Other income	8,377	-	-	-	-	-	8,377	7,258
	<b>177,535</b>	<b>58,880</b>	<b>45,610</b>	<b>-</b>	<b>33,022</b>	<b>146,631</b>	<b>461,678</b>	<b>852,079</b>

See notes to Financial Statements

**FOOD SECURE CANADA**  
**STATEMENT OF REVENUES OVER EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

<b>GENERAL</b>								
	<b>Core</b>	<b>School Food</b>	<b>Eat Think Vote</b>	<b>McConnell Nourish</b>	<b>SDG</b>	<b>ISED</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>								
Human resources support	95,838	-	23,039	37,640	30,000	82,008	268,525	433,133
AGM Forum/festin	1,362	-	-	-	-	-	1,362	52,491
Marketing & advertising	18,011	-	1,921	-	-	12,046	31,978	36,953
Professional services	14,825	-	468	-	-	37,027	52,320	43,464
Administrative	9,101	-	21,014	-	3,022	2,000	35,137	51,324
Program supplies and costs	2,000	27,412	3,550	2,500	-	6,223	41,685	99,864
Office supplies & expenses	13,541	1,638	-	733	-	-	15,912	31,046
Convening	-	-	-	-	-	-	-	17,458
Insurance	2,936	-	-	-	-	-	2,936	2,974
Travel	2,869	-	2,147	-	-	7,044	12,060	72,067
Rent & utilities	23,890	-	-	-	-	-	23,890	16,880
Interest expense	4,090	-	-	-	-	-	4,090	-
Amortization	2,330	-	-	-	-	-	2,330	2,913
	<b>190,793</b>	<b>29,050</b>	<b>52,139</b>	<b>40,873</b>	<b>33,022</b>	<b>146,348</b>	<b>492,225</b>	<b>860,567</b>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUES)</b>	<b>(13,258)</b>	<b>29,830</b>	<b>(6,529)</b>	<b>(40,873)</b>	<b>-</b>	<b>283</b>	<b>(30,547)</b>	<b>(8,488)</b>

See notes to Financial Statements

**FOOD SECURE CANADA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	<i>2020</i>	<i>2019</i>
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operations</b>		
Excess of expenses over revenues	(30,547)	(8,488)
Amortization of capital and intangible assets	2,330	2,913
	(28,217)	(5,575)
Net changes in non-cash working capital:		
Government grant receivable	(16,070)	(1,130)
Accounts and contributions receivable	(12,514)	(8,320)
Temporary investments	(285)	-
Sales tax receivable	(9,008)	(2,512)
Deferred costs	-	60,215
Accounts payable and accruals	4,093	(4,675)
Deferred contributions	67,693	14,282
Deferred partnership income	-	(127,984)
Deferred assembly revenues	-	(75,097)
	5,692	(150,796)
<b>Investing activities</b>		
Acquisition of capital assets	-	-
Increase (decrease) in cash and cash equivalents	5,692	(150,796)
Cash and cash equivalents, beginning of the year	26,429	177,225
<b>Cash and cash equivalents, end of year</b>	<b>32,121</b>	<b>26,429</b>
 <i>Represented by:</i>		
Cash	32,121	26,429

See notes to Financial Statements

**FOOD SECURE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2020**

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

Food Secure Canada 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 and food sovereignty in Canada and globally.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook –Accounting.

**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 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.

The most significant estimates relate to the allocation of costs, deferred income revenues and contributions and the deferred costs of capital assets.

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions and partnership income. 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.

Other revenues are recognized as revenue when the service is rendered.

**Contributed services and material**

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

**Cash and cash equivalents**

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and temporary investments with a maturity period of three months or less from the date of acquisition. Temporary investments that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.



**FOOD SECURE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

*Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

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

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

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

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no 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 net earnings.

**Capital assets**

Capital assets are accounted for at cost. Amortization is calculated using the straight-line method at the rate that varies 3 to 5 years.

**Intangible assets**

Intangible assets are accounted for at cost. Amortization is calculated on its estimated useful life using the straight-line method at the rate of 20%.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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. Personnel are allocated on the following basis: proportionally by the estimated hours worked for each program and activity.

**3. TEMPORARY INVESTMENTS**

	<b>2020</b>	<b>2019</b>
One year non-redeemable investment, 1% (2019; 0.85%), maturing in May 2021.	\$ 5,350	\$ 5,065

**4. CAPITAL ASSETS**

	<b>2020</b>			<b>2019</b>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
Computer equipment	\$ 10,353	\$ 8,092	\$ 2,261	\$ 2,826

**5. INTANGIBLE ASSETS**

	<b>2020</b>			<b>2019</b>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
Website	\$ 30,796	\$ 23,732	\$ 7,065	\$ 8,830

**6. ACCOUNTS PAYABLE**

	<b>2020</b>	<b>2019</b>
Trade accounts payable	\$ 9,841	\$ 9,392
Salaries	6,290	2,646
	<b>\$ 16,131</b>	<b>\$ 12,038</b>

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**7. DEFERRED ASSEMBLY COSTS/REVENUES**

The National Assembly is an event that takes place every 2 years. The Assembly gathers people and organizations from all over to address all the current issues that relate to FSC. Funds used to support projects involving Indigenous and Northern delegates are folded into the Assembly activities. The association defers all costs/revenues related to the assembly. The costs/revenues are recorded in the statement of earnings only when the event has taken place and the revenues are earned. The following schedule lists the costs and revenues that have been deferred relating to the assembly.

Schedule for costs:

	Registration	Grant	Sponsorship	Sales	Total 2020	Total 2019
<b>Opening Balance</b>	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 75,097
Less: amount recognized as costs in the year	---	---	---	---	---	(75,097)
Plus: amount received related to the following year	---	---	---	---	---	---
<b>Closing Balance</b>	---	---	---	---	---	\$ ---

Schedule for revenues:

	Total 2020	Total 2019
<b>Opening Balance</b>	\$ ---	\$ 75,097
Less: amount recognized as revenue in the year	---	(75,097)
Plus: amount received related to the following year	---	---
<b>Closing Balance</b>	\$ ---	\$ ---

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**8. DEFERRED CONTRIBUTIONS/REVENUES**

The deferred contributions represent unused resources received during the year for specific activities. The amount shall be considered as income in the following year. Changes in deferred contributions are:

	Children and Food Contributions	Eat Think Vote	Interpares	SDG	ISED	Total 2020	Total 2019
<b>Opening Balance</b>	\$ 19,958	\$ 13,526	\$ 10,000	\$ ---	\$ ---	\$ 43,484	\$ 29,202
Less: amount recognized as revenue in the year	(19,958)	(13,526)	(10,000)	---	---	(43,484)	(29,202)
Plus: amount received related to the following year	15,459	---	---	66,978	28,740	111,177	43,484
<b>Closing Balance</b>	<b>15,459</b>	<b>---</b>	<b>---</b>	<b>66,978</b>	<b>28,740</b>	<b>111,177</b>	<b>\$ 43,484</b>

**9. ALLOCATION OF COSTS**

The allocation of personnel salaries are on time and effort related to the program or activity and in the absence of tangible cost drivers the salaries are based on management's best estimate as to the time and effort required to be allocated to the program and activity. All direct cost are charged to the program as incurred and all other costs that are not specifically identifiable to a program or activity are allocated based on management's best estimate.

**10. FINANCIAL INSTRUMENTS**

**Risk and concentrations**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Organization's risk exposure as at August 31, 2020.

**Liquidity risk**

Liquidity risk is the risk that an entity 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 may experience immaterial cash management challenges.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. FINANCIAL INSTRUMENTS (continued)**

**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 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.

The Organization is exposed to credit risk through its cash, and temporary investments in excess of deposit insurance are kept in the same recognized financial institution.

For the other receivables, the Organization determines, on a continuing basis, the probable losses, and sets up a provision for losses based on the estimated realizable value.

**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-interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

**Risk exposure change**

Since last year, the Organization's risk exposure has not changed.

**11. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.