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Financial Statements of

**Maple Leaf Centre for Action on
Food Security**

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Maple Leaf Centre for Action on Food Security

Qualified Opinion

We have audited the financial statements of Maple Leaf Centre for Action on Food Security (the Entity), which comprise:

- the statements of financial position as at December 31, 2018 and December 31, 2017
- the statements of operations for the years then ended
- the statements of changes in net assets for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditors' report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and December 31, 2017, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at December 31, 2018 and December 31, 2017
- the fundraising revenues and excess of revenues over expenses reported in the statements of operations for the years ended December 31, 2018 and December 31, 2017
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended December 31, 2018 and December 31, 2017
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2018 and December 31, 2017.

Our opinion on the financial statements for the year ended December 31, 2017 was qualified 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

May 6, 2019

Statement of Financial Position

Maple Leaf Centre for Action on Food Security

	As at December 31, 2018		As at December 31, 2017	
ASSETS				
Current assets				
Cash	\$	2,014,158	\$	247,304
Amounts receivable		63,040		—
Total Assets	\$	2,077,198	\$	247,304
LIABILITIES				
Current liabilities				
Accrued liabilities	\$	89,770	\$	8,000
Short term loan		—		2,000
Total Liabilities	\$	89,770	\$	10,000
NET ASSETS				
Unrestricted fund	\$	987,428	\$	237,304
Internally restricted fund		1,000,000		—
Total Net Assets	\$	1,987,428	\$	237,304
Total Liabilities and Net Assets	\$	2,077,198	\$	247,304

Grant commitments (Note 5)

See accompanying Notes to the Financial Statements.

On behalf of the Board:



LYNDA KUHN

Director



EVAN FRASER

Director

Statement of Operations

Maple Leaf Centre for Action on Food Security

Years ended December 31,	Notes	2018	2017
Revenue			
Donations		\$2,973,987	\$ 246,300
Fundraising events		283,825	—
Interest income		10,384	2
		\$3,268,196	\$ 246,302
Expenditures			
Grants		\$1,371,884	\$ —
Program		65,568	—
Fundraising		63,897	—
Administration	3	16,723	8,998
		\$1,518,072	\$ 8,998
Excess of revenue over expenditures for the year		\$1,750,124	\$ 237,304

See accompanying Notes to the Financial Statements.

Statement of Changes in Net Assets

Maple Leaf Centre for Action on Food Security
Years ended December 31,

	2018		
	Unrestricted fund	Internally restricted fund	Total
Fund balance, beginning of year	\$ 237,304	\$ —	\$ 237,304
Excess of revenue over expenditures for the year	750,124	1,000,000	1,750,124
Fund balance, end of year	\$ 987,428	\$ 1,000,000	\$ 1,987,428

	2017		
	Unrestricted fund	Internally restricted fund	Total
Fund balance, beginning of year	\$ —	\$ —	\$ —
Excess of revenue over expenditures for the year	237,304	—	237,304
Fund balance, end of year	\$ 237,304	\$ —	\$ 237,304

See accompanying Notes to the Financial Statements.

Statement of Cash Flows

Maple Leaf Centre for Action on Food Security

Years ended December 31,	2018	2017
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenditures for the year	\$ 1,750,124	\$ 237,304
Change in non-cash working capital	18,730	8,000
Cash provided by operating activities	\$ 1,768,854	\$ 245,304
Financing activities		
Proceeds (repayment) from short term loan	\$ (2,000)	\$ 2,000
Cash provided by financing activities	\$ (2,000)	\$ 2,000
Increase in cash during the year	\$ 1,766,854	\$ 247,304
Cash, beginning of year	247,304	—
Cash, end of year	\$ 2,014,158	\$ 247,304

See accompanying Notes to the Financial Statements.

Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security
Years ended December 31, 2018 and 2017

1. PURPOSE AND NATURE OF THE ORGANIZATION

Maple Leaf Centre for Action on Food Security (the "Centre") was incorporated on November 17, 2016 under the *Canada Not-for-profit Corporations Act*.

The Centre is a registered charity under the *Income Tax Act* (Canada) effective April 17, 2017 and is therefore exempt from income taxes. The prior year figures reflect the financial activity of the Centre from the date of notification of charitable status.

The Centre's mandate is to relieve poverty and advance community welfare by supporting innovation, research and knowledge exchange in an effort to advance sustainable food security.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published in the CPA Canada Handbook - Accounting, and using the accounting policies described herein.

The financial statements were authorized for issue by the Board of Directors on May 6, 2019.

(b) Revenue Recognition

The Centre follows the deferral method of accounting for contributions which include donations and grants. Unrestricted and internally restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Cash

Cash is measured at fair value and includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(d) Fund Accounting

For financial reporting purposes, the accounts of the Centre have been classified into funds. The Centre ensures, as part of its fiduciary responsibilities, that all the funds received with a restricted purpose are expended for the purpose for which they were provided.

The Unrestricted Fund is the result of the Centre's general operations, including donations, fund raising benefits and expenses, and administrative activities. This fund contains unrestricted resources available for immediate purposes for the operation of the Centre.

The Internally Restricted Fund represents funds available for emergencies, program enhancement or other purposes as specified by the Board of Directors. Any use of this fund requires explicit approval by the Board of Directors and is not restricted by a third party.

(e) Contributed Services

Volunteers contribute many hours per year to assist the Centre in carrying out its activities. Because of the difficulty of determining the fair value, contributed services and associated overheads are not valued in the financial statements.

Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security
Years ended December 31, 2018 and 2017

3. ADMINISTRATION EXPENSES

Administration expenses consist of:

	2018	2017
Legal fees	\$ 200	\$ —
Audit fees	14,544	8,000
Board expenses	249	—
Bank service charges	724	998
Donation transaction fees	1,007	—
	\$ 16,724	\$ 8,998

4. FINANCIAL RISK MANAGEMENT

Financial Risk

The Centre is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. The Centre believes that it is not exposed to significant interest-rate or cash flow risk arising from its financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Centre will be unable to meet cash requirements or to fund obligations as they become due. The Centre manages its liquidity risk by monitoring its operating requirements. The Centre prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Additionally, the Centre believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid .

5. GRANT COMMITMENTS

The Centre enters into grant commitments with partners that vary in terms. Each commitment requires re-approval annually. The Centre's grant commitments are as follows:

2019	\$	1,182,971
2020		354,587
2021		44,958
	\$	1,582,516