



Financial Statements of

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

Year ended December 31, 2022



## INDEPENDENT AUDITOR'S 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 statement of financial position as at December 31, 2022 and December 31, 2021
- the statement of operations for the years then ended
- the statement of changes in net assets for the years then ended
- the statement 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 auditor’s report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2022 and December 31, 2021, 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, 2022 and December 31, 2021
- the fundraising revenues and excess of revenues over expenses reported in the statements of operations for the years ended December 31, 2022 and December 31, 2021
- 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, 2022 and December 31, 2021
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2022 and December 31, 2021.

Our opinion on the financial statements for the year ended December 31, 2021 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 “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s 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.

### ***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 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 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 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  
Vaughan, Canada

May 17, 2023

# Statement of Financial Position

Maple Leaf Centre for Action on Food Security

	Notes	As at December 31, 2022		As at December 31, 2021
<b>ASSETS</b>				
<b>Current assets</b>				
Cash		\$ 1,187,397	\$	1,139,529
Investments, at market	3	5,447,485		5,348,660
Amounts receivable		34,592		78,633
Prepaid expenses		706		17,424
<b>Total assets</b>		<b>\$ 6,670,180</b>	<b>\$</b>	<b>6,584,246</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accrued liabilities		\$ 82,573	\$	35,123
<b>Total liabilities</b>		<b>\$ 82,573</b>	<b>\$</b>	<b>35,123</b>
<b>FUND BALANCES</b>				
Unrestricted fund		\$ 640,121	\$	700,463
Internally restricted fund		5,947,486		5,848,660
<b>Total funds</b>		<b>\$ 6,587,607</b>	<b>\$</b>	<b>6,549,123</b>
<b>Total liabilities and fund balances</b>		<b>\$ 6,670,180</b>	<b>\$</b>	<b>6,584,246</b>

Grant commitments (Note 8)

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

<b>Years ended December 31,</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Donations	4	\$2,558,104	\$2,624,930
Fundraising events		303,148	277,321
Interest income		960	794
Dividend income		109,877	87,656
Realized (loss) gain on sale of investments		(66,296)	215,167
Unrealized (loss) gain on investments		(700,553)	211,090
		<b>\$2,205,240</b>	<b>\$3,416,958</b>
<b>Expenditures</b>			
Grants		\$1,626,275	\$ 924,903
Program		338,185	196,581
Fundraising		81,865	58,528
Administration	5	120,432	116,813
		<b>\$2,166,757</b>	<b>\$1,296,825</b>
<b>Excess of revenue over expenditures for the year</b>		<b>\$ 38,483</b>	<b>\$2,120,133</b>

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,

				2022
	<i>Notes</i>	Unrestricted fund	Internally restricted fund	Total
<b>Fund balance, beginning of year</b>		\$ 700,463	\$5,848,660	\$6,549,123
Excess (deficit) of revenue over expenditures for the year		694,696	(656,213)	38,483
Interfund transfer	7	(755,039)	755,039	—
<b>Fund balance, end of year</b>		<b>\$ 640,121</b>	<b>\$5,947,486</b>	<b>\$6,587,607</b>
				2021
		Unrestricted fund	Internally restricted fund	Total
<b>Fund balance, beginning of year</b>		\$ 594,693	\$3,834,297	\$4,428,990
Excess of revenue over expenditures for the year		1,605,770	514,363	2,120,133
Interfund transfer	7	(1,500,000)	1,500,000	—
<b>Fund balance, end of year</b>		<b>\$ 700,463</b>	<b>\$5,848,660</b>	<b>\$6,549,123</b>

See accompanying Notes to the Financial Statements.

# Statement of Cash Flows

Maple Leaf Centre for Action on Food Security

<b>Years ended December 31,</b>	<b>2022</b>	<b>2021</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 38,483	\$ 2,120,133
Add (deduct) items not affecting cash:		
Unrealized loss (gain) on investments	700,553	(211,090)
Reinvested interest, dividends and net gain on sale of investments	(44,340)	(303,273)
Change in non-cash working capital	108,211	(200,197)
Cash provided by operating activities	\$ 802,907	\$ 1,405,573
<b>Investing activities</b>		
Purchase of investments	\$ (755,039)	\$ (1,500,000)
Cash used in investing activities	\$ (755,039)	\$ (1,500,000)
<b>Increase (decrease) in cash during the year</b>	\$ 47,868	\$ (94,427)
<b>Cash, beginning of year</b>	1,139,529	1,233,956
<b>Cash, end of year</b>	\$ 1,187,397	\$ 1,139,529

See accompanying Notes to the Financial Statements.



# Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security  
Years ended December 31, 2022 and 2021

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## 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 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 17, 2023.

### (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) Financial Instruments

The Centre initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

<u>Asset/Liability</u>	<u>Measurement</u>
Cash	Fair value
Amounts receivable and prepaid expenses	Amortized cost
Investments	Fair value
Accrued liabilities	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indicators of impairment. If such impairment exists the assets shall be written down and the resulting impairment loss will be recognized in the statements of operations and changes in net assets for the period.

### (d) Cash

Cash includes cash on hand only. Cash that is held for investing rather than operating purposes is classified as investments.

### (e) 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, fundraising benefits and expenses, and administrative activities. This fund contains unrestricted resources available for immediate purposes for the operation of the Centre.

# Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security  
Years ended December 31, 2022 and 2021

The Internally Restricted Fund represents funds which have been invested and are available for funding shortfalls, 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.

## (f) 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 of these services, contributed services and associated overheads are not valued in the financial statements.

## 3. INVESTMENTS

Investments consist of the following:	As at December 31,	
	2022	2021
Cash or Cash Equivalents	\$ 773,352	\$ 1,892
Global Equities	2,874,858	3,195,326
Fixed Income	1,378,350	1,605,141
Other Strategies	420,925	546,301
	<b>\$ 5,447,485</b>	<b>\$ 5,348,660</b>

The Centre's investments are held in securities that are highly liquid with no maturity date and recorded at fair value. As at December 31, 2022, the total unrealized loss was \$700,553 (2021:unrealized gain of \$211,090). The investment portfolio is managed in accordance with the Centre's investment policy.

## 4. DONATIONS

Donations consist of the following:	Year ended December 31,	
	2022	2021
Donations	\$ 2,558,104	\$ 2,624,930
	<b>\$ 2,558,104</b>	<b>\$ 2,624,930</b>

Donations received this year were 74% from corporations, 20% from private foundations and 6% from individuals (2021: 75% corporate, 0% private foundations and 25% individuals).

# Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security  
Years ended December 31, 2022 and 2021

## 5. ADMINISTRATION EXPENSES

Administration expenses consist of:	Year ended December 31,	
	2022	2021
Audit fees	\$ 13,905	\$ 14,521
Board expenses	509	40
Bank and investment service charges	1,562	1,622
Donation transaction fees	572	479
Salaries and benefits	103,884	100,151
	<b>\$ 120,432</b>	<b>\$ 116,813</b>

## 6. FINANCIAL RISK MANAGEMENT

The Centre is subject to market, interest rate, and liquidity risks with respect to its investments.

### Market Risk

Market risk arises as a result of investments in equity securities, fixed income securities and real estate investments trust. Fluctuations in the market expose the Centre to a risk of loss on sales of investments.

### Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Centre.

To manage these risks, the Centre has established an investment policy, which includes target mix of investment types and concentration limits designed to achieve the optimum return within reasonable risk tolerances.

### 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.

# Notes to the Financial Statements

Maple Leaf Centre for Action on Food Security  
Years ended December 31, 2022 and 2021

## 7. INTERFUND TRANSFERS

Transfers between funds consist of the following:

	Unrestricted Fund		Internally Restricted Fund	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Surplus in Unrestricted Fund	\$ (755,039)	\$ (1,500,000)	\$ 755,039	\$ 1,500,000
	\$ (755,039)	\$ (1,500,000)	\$ 755,039	\$ 1,500,000

The Centre's general practice is to maintain a small surplus in the Unrestricted Fund by transferring any excess to the Internally Restricted Fund or by covering any deficits in the Unrestricted Fund with a transfer from the Internally Restricted Fund.

## 8. 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:

2023	\$	1,742,630
2024		1,054,805
2025		250,740
	\$	3,048,175