SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Financial Statements

For the Year Ended July 31, 2022

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Index to Financial Statements
For the Year Ended July 31, 2022

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3 - 4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6 - 7
Notes to Financial Statements	8 - 12

CURTIS VILLAR LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Seeds of Diversity Canada - Programme Semencier Du Patrimoine Canada

We have reviewed the accompanying financial statements of Seeds of Diversity Canada - Programme Semencier Du Patrimoine Canada (the organization) that comprise the statements of financial position as at July 31, 2022 and July 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our reviews. We conducted our reviews in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Seeds of Diversity Canada - Programme Semencier Du Patrimoine Canada as at July 31, 2022 and July 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with ASNPO.

Curtis-Villar LLP

Guelph, Ontario
December 13, 2022

CURTIS-VILLAR LLP
Chartered Professional Accountants
Licensed Public Accountants

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Financial Position

As at July 31, 2022

	General Fund 2022	HASP Fund 2022	Seed Library Fund 2022	**Total 2022**	Total 2021
ASSETS					
CURRENT					
Cash	$ 49,663	$ 13,454	$ -	**$ 63,117**	$ 210,815
Marketable securities (Market value: 2022: $239,917.83 2021: $43,572) *(Note 3)*	158,325	33,100	-	**191,425**	31,204
Accounts receivable	25,898	-	-	**25,898**	-
Inventory	3,659	-	-	**3,659**	2,982
Harmonized sales tax recoverable	6,703	-	-	**6,703**	5,822
Prepaid expenditures	1,192	-	-	**1,192**	1,163
Due to funds *(Note 4)*	-	-	73,373	**73,373**	64,604
	$ 245,440	$ 46,554	$ 73,373	**$ 365,367**	$ 316,590
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	$ 12,326	$ -	$ -	**$ 12,326**	$ 21,363
Deferred income *(Note 5)*	96,154	-	-	**96,154**	68,355
Due to restricted funds *(Note 4)*	71,336	2,037	-	**73,373**	64,604
	179,816	2,037	-	**181,853**	154,322
NET ASSETS					
Unrestricted *(Note 1)*	65,624	-	-	**65,624**	55,153
Restricted *(Note 1)*	-	44,517	73,373	**117,890**	107,115
	65,624	44,517	73,373	**183,514**	162,268
	$ 245,440	$ 46,554	$ 73,373	**$ 365,367**	$ 316,590

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Revenues and Expenditures

For the Year Ended July 31, 2022

	General Fund 2022	HASP Fund 2022	Seed Library Fund 2022	**2022**	2021
REVENUE					
School Food Gardens *(Note 7)*	$ 133,917	$ -	$ -	**$ 133,917**	$ 66,204
Donations	68,644	-	8,700	**77,344**	85,837
Seed library and BFICSS *(Note 7)*	42,762	-	2,261	**45,023**	30,000
Membership fees	16,088	-	-	**16,088**	31,302
Sale of publications	15,438	-	-	**15,438**	20,302
Investment income	1,939	1,085	-	**3,024**	1,926
Government assistance	-	-	-	**-**	8,191
Unrealized gain	(8,374)	1,896	-	**(6,478)**	9,109
	270,414	2,981	10,961	**284,356**	252,871
COST OF SALES					
School Food Gardens	142,657	-	-	**142,657**	92,663
Seed library and BFICSS	36,295	-	-	**36,295**	21,822
Magazine and e-bulletin	10,523	-	-	**10,523**	11,000
Cost of publications	7,583	-	-	**7,583**	5,628
Seeds directory	7,332	-	-	**7,332**	8,887
	204,390	-	-	**204,390**	140,000
GROSS PROFIT	66,024	2,981	10,961	**79,966**	112,871
EXPENSES					
Salaries and wages	14,471	-	-	**14,471**	12,549
Fundraising	13,990	-	-	**13,990**	19,839
Office rent	12,050	-	-	**12,050**	11,916
Office	3,623	-	-	**3,623**	2,682
Professional fees	3,492	-	-	**3,492**	3,340
Postage and delivery	3,482	-	-	**3,482**	4,699
Trade show	2,318	-	-	**2,318**	2,846
Interest and bank charges	1,998	-	-	**1,998**	2,192
Insurance	1,759	-	-	**1,759**	1,726
Telephone	761	-	-	**761**	798

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See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Revenues and Expenditures *(continued)*

For the Year Ended July 31, 2022

	General Fund 2022	HASP Fund 2022	Seed Library Fund 2022	**2022**	2021
Meetings and conventions	641	-	-	**641**	1,443
Staff training	135	-	-	**135**	597
	58,720	-	-	**58,720**	64,627
EXCESS OF REVENUE OVER EXPENSES	$ 7,304	$ 2,981	$ 10,961	**$ 21,246**	$ 48,244

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Changes in Net Assets

For the Year Ended July 31, 2022

	General Fund *Unrestricted*	HASP Fund *Restricted*	Seed Library Fund *Restricted*	**2022 Total**	2021 Total
NET ASSETS - BEGINNING OF YEAR	$ 55,153	$ 42,512	$ 64,604	**$ 162,269**	$ 114,028
Excess of revenue over expenses	7,304	2,981	10,961	**21,246**	48,240
Interfund transfer *(Note 6)*	3,169	(977)	(2,192)	**-**	1
NET ASSETS - END OF YEAR	$ 65,626	$ 44,516	$ 73,373	**$ 183,515**	$ 162,269

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Cash Flows

For the Year Ended July 31, 2022

	General Fund 2022	HASP Fund 2022	Seed Library Fund 2022	**Total 2022**	Total 2021
OPERATING ACTIVITIES					
Excess of revenue over expenses	$ 7,304	$ 2,981	$ 10,961	**$ 21,246**	$ 48,244
Changes in non-cash working capital:					
Accounts receivable	(25,900)	-	-	**(25,900)**	7,168
Inventory	(677)	-	-	**(677)**	197
Accounts payable and accrued liabilities	(9,037)	2	-	**(9,035)**	18,133
Deferred income	27,799	-	-	**27,799**	8,129
Prepaid expenditures	(29)	-	-	**(29)**	(18)
Harmonized sales tax payable	(881)	-	-	**(881)**	(2,140)
Government assistance receivable	-	-	-	**-**	6,111
Due to (from) funds	7,794	975	(8,769)	**-**	(10,905)
Interfund transfers	3,169	(977)	(2,192)	**-**	-
	2,238	-	(10,961)	**(8,723)**	26,675
Cash flow from operating activities	9,542	2,981	-	**12,523**	74,919
INVESTING ACTIVITIES					
Purchase of marketable securities	(347,116)	-	-	**(347,116)**	-
Unrealized gain (loss)	8,374	(1,896)	-	**6,478**	11,801
Proceeds from sale of marketable securities	180,000	-	-	**180,000**	-
Gain (loss) from sales of marketable securities	417	-	-	**417**	-
	-	-	-	**-**	-
Cash flow from (used by) investing activities	(158,325)	(1,896)	-	**(160,221)**	11,801
INCREASE (DECREASE) IN CASH FLOW	(148,783)	1,085	-	**(147,698)**	86,720
Cash - beginning of year	198,446	12,369	-	**210,815**	124,095
CASH - END OF YEAR	$ 49,663	$ 13,454	$ -	**$ 63,117**	$ 210,815
CASH CONSISTS OF:					
Cash	$ 14,624	$ -	$ -	**$ 14,624**	$ 198,446

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See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Cash Flows *(continued)*

For the Year Ended July 31, 2022

	General Fund 2022	HASP Fund 2022	Seed Library Fund 2022	**Total 2022**	Total 2021
Investment cash balance	35,039	13,454	-	**48,493**	12,369
	$ 49,663	$ 13,454	$ -	**$ 63,117**	$ 210,815

See notes to financial statements

1. DESCRIPTION OF BUSINESS

Seeds of Diversity Canada - Programme Semencier du Patrimoine Canada (the "organization") was incorporated in Canada as a not-for-profit organization without share capital on September 26, 1995. The organization is a registered charitable organization under the Income Tax Act (Canada) and is therefore exempt from income taxes.

The objectives of the organization are to promote the conservation and the use of heritage and unique plant varieties, including but not limited to, searching out, preserving, perpetuating, studying and encouraging the cultivation of heirloom and endangered varieties of food crops. In addition, the organization aims to educate the general public, farmers, gardeners, museums, gene banks, clubs and schools about the importance of heirloom and endangered varieties of food crops and the need for their continued cultivation and preservation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Cash and cash equivalents

Cash includes the bank balance, cash on hand, and the cash balance of the investment account. There are no cash equivalents.

Inventory

Inventory consists of books for resale and is recorded at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Property, plant and equipment

Property, plant and equipment are expensed in the year of purchase. The property, plant and equipment currently held include equipment and computer hardware. There were no capital purchases this year.

Revenue recognition

The organization follows the deferral method of accounting for revenue.

Unrestricted grants and donations related to general operations are recognized as revenue of the General Fund in the year in which the related expenditures are incurred. Restricted contributions related to the HASP Fund and Seed Library Fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. This revenue includes grants, donations, seed library and BFICSS, and Healthy Kids.

Membership fees are recognized in the year to which they relate.

Revenue from Seed library and BFICSS, sales of publications, conference and shows, investment income, government assistance, donations, unrealized gains and miscellaneous income are recognized when received. Miscellaneous income consists of advertising revenue, and credit card rebate.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Seeds of Diversity Canada - Programme Semencier Du Patrimoine Canada follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Heather Apple Seed Preservation Fund (the "HASP Fund") is a fund established to hold and manage directed contributions from lifetime membership fees and donations, and to earn income for the organization's general operations. The lifetime membership fee provides full membership for life for a onetime payment of $1,000. The fund consists of the full value of the contributions, capital gains and/or losses on the investment, and 10% of the income generated by the investment of the contributions. The remaining 90% of investment income will be disbursed to the general fund, twice yearly.

The Seed Library Fund was established in 2009. The fund represents 80% of donations received for this project for the year, and is restricted to being invested perpetually to fund perpetual maintenance of seed collection. The remaining 20% of the donations to this project are used in the current year to fund the purchase of a variety of seeds to be stored in the seed collection library. The seed directory expenditures include the 20% of funds used and are greater than 20% of the Seed donations, therefore the full 20% can be reallocated as an interfund transfer.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Corporate income taxes

The organization is a not-for-profit organization and is therefore exempt from corporate income taxes.

3. MARKETABLE SECURITIES

	2022	2021
Government of Canada Treasury bill	**$ 19,955**	$ -
Government of Canada Treasury bill	**19,915**	-
Loblaw Companies Limited	**10,061**	-
Laurentian bank of canada	**9,995**	-
Ford Credit Canada Company	**9,982**	-
CDN IMPERIAL BK OF COMMERCE	**9,969**	-
George Weston Ltd.	**9,629**	8,151
Canadian Imperial Bank of Commerce	**8,681**	9,720
Canadian Pacific Railway	**8,078**	-
Canadian National Railway	**7,949**	-
Manulife Financial Corp	**7,899**	-
Bank of Nova Scotia	**7,723**	-
Canadian Imperial Bank of Commerce	**7,644**	-
Toronto-Dominion Bank	**7,320**	-
Bank of Montreal	**6,511**	-
Royal Bank of Canada	**6,493**	-
Bank of Nova Scotia	**5,146**	5,139
Bank of Montreal	**4,979**	4,818
Brookfield PPTY Fin Inc 4.346%	**4,955**	-
Brookfield PPTY Fin Inc 4.300%	**4,875**	-
Ford Credit Canada LTD	**4,863**	-
Loblaw Companies Ltd	**4,663**	3,376
Telus Corporation	**4,140**	-
	$ 191,425	$ 31,204
Cost	**$ 187,505**	$ 20,806

4. DUE TO (FROM) UNRESTRICTED AND RESTRICTED FUNDS

Due from unrestricted fund account represents the amount of funds that are owed from the unrestricted fund bank account and require allocation to the restricted funds bank and/or investment account. Due to restricted funds account are the contra amounts. There are no specific terms of repayment, and the amounts bear no interest.

5. DEFERRED INCOME

Deferred income represents the portion of deferred membership fees and deferred project income received for the School Food Gardens project. Membership fees are collected on a calendar year basis. Management calculates deferred revenue based on the expiry date of the membership fee revenue received. Accordingly, deferred revenue includes a deferral of one-year membership fees and multi-year membership fees, based on their expiry dates.

	2022	2021
Balance, beginning of year	**$ 68,355**	$ 60,226
Add: amount received for memberships	**-**	490
Add: deferred grant	**93,975**	52,394
Less: amount recognized as revenue in the year	**(66,176)**	(44,755)
Balance, end of year	**$ 96,154**	$ 68,355

6. INTERFUND TRANSFER

There were interfund transfers during the year to reallocate 20% of the Seed Library Fund revenue to the general fund ($2,192) and to reallocate 90% of the HASP investment income to the general fund ($977). The HASP investment income is calculated using the realized income and does not include the unrealized gains and losses. These internally restricted amounts are not available for use without approval of the board of directors. The funds were transferred from the unrestricted funds.

7. MAJOR CONTRIBUTIONS

	2022	2021
Weston Family Foundation	**$ 66,000**	$ -
Ontario Trillium Foundation	**42,600**	33,400
Gay Lea Foundation	**-**	-
Peterborough K.M. Hunter Foundation	**-**	-
KW Community Foundation	**-**	-
SeedChange	**-**	30,000
	$ 108,600	$ 63,400

Major contributions are used to fund the School Food Gardens and the Seed Library and BFICSS programs.

8. COST OF SALES

Included within cost of publications for the year ended July 31, 2022, are charges to inventory within the normal course of business, made throughout the year, of $7,583.10 (2021 - $5,628). These charges include the disposal of obsolete and damaged product, shrinkage, and permanent markdowns to net realizable values.

9. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of July 31, 2022.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to minimal credit risk with respect to receivables.

(b) 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 receipt of funds from its customers and accounts payable.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to other price risk associated with its investments in quoted shares as the fair value will fluctuate because of changes in market prices. This risk is reduced to a minimum as the majority of the shares are invested in the Canadian financial sector.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

10. COVID-19 IMPLICATIONS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 18, 2020, the organization is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its offices by the provincial government.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization’s operations as at the date of these financial statements.