SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Financial Statements

For the Year Ended July 31, 2023

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA
Index to Financial Statements
For the Year Ended July 31, 2023

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenue 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, 2023 and July 31, 2022, and the statements of revenue 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, 2023 and July 31, 2022, 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 27, 2023

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, 2023

	General Fund 2023	HASP Fund 2023	Seed Library Fund 2023	**Total 2023**	Total 2022
ASSETS					
CURRENT					
Cash	$ 123,317	$ 9,806	$ -	**$ 133,123**	$ 63,117
Marketable securities (Market value: 2023: $161,128 2022: $191,425) *(Note 3)*	125,194	35,935	-	**161,129**	191,425
Accounts receivable	10,305	-	-	**10,305**	25,898
Inventory	7,244	-	-	**7,244**	3,659
Harmonized sales tax recoverable	6,826	-	-	**6,826**	6,703
Prepaid expenditures	1,210	-	-	**1,210**	1,192
Due to funds *(Note 4)*	-	-	83,692	**83,692**	73,373
	$ 274,096	$ 45,741	$ 83,692	**$ 403,529**	$ 365,367
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	$ 24,794	$ -	$ -	**$ 24,794**	$ 12,325
Deferred income *(Note 5)*	92,347	-	-	**92,347**	96,154
Due to restricted funds *(Note 4)*	80,588	3,104	-	**83,692**	73,373
	197,729	3,104	-	**200,833**	181,852
NET ASSETS					
Unrestricted *(Note 1)*	76,367	-	-	**76,367**	65,624
Restricted *(Note 1)*	-	42,636	83,693	**126,329**	117,890
	76,367	42,636	83,693	**202,696**	183,514
	$ 274,096	$ 45,740	$ 83,693	**$ 403,529**	$ 365,366

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Revenue and Expenditures

For the Year Ended July 31, 2023

	General Fund 2023	HASP Fund 2023	Seed Library Fund 2023	**2023**	2022
REVENUE					
School Food Gardens *(Note 7)*	$ 155,315	$ -	$ -	**$ 155,315**	$ 133,917
Donations	59,677	-	9,235	**68,912**	77,344
Seed library and BFICSS *(Note 7)*	49,345	-	3,664	**53,009**	45,023
Sale of publications	10,371	-	-	**10,371**	15,438
Investment income	6,163	1,186	-	**7,349**	3,025
Membership fees	2,179	-	-	**2,179**	16,088
Unrealized gain	(176)	(1,999)	-	**(2,175)**	(6,478)
	282,874	(813)	12,899	**294,960**	284,357
COST OF SALES					
School Food Gardens	144,567	-	-	**144,567**	142,657
Seed library and BFICSS	39,347	-	-	**39,347**	36,295
Seeds directory	11,385	-	-	**11,385**	7,332
Miscellaneous projects	7,236	-	-	**7,236**	-
Magazine and e-bulletin	7,095	-	-	**7,095**	10,523
Cost of publications	5,340	-	-	**5,340**	7,583
	214,970	-	-	**214,970**	204,390
GROSS PROFIT	67,904	(813)	12,899	**79,990**	79,967
EXPENSES					
Salaries and wages	16,946	-	-	**16,946**	14,471
Fundraising	13,157	-	-	**13,157**	13,990
Office rent	12,374	-	-	**12,374**	12,050
Professional fees	4,590	-	-	**4,590**	3,492
Office	3,739	-	-	**3,739**	3,623
Trade show	2,672	-	-	**2,672**	2,318
Postage and delivery	2,652	-	-	**2,652**	3,482
Insurance	1,796	-	-	**1,796**	1,759
Interest and bank charges	1,655	-	-	**1,655**	1,999
Equipment rentals	610	-	-	**610**	-

(continues)

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Revenue and Expenditures *(continued)*

For the Year Ended July 31, 2023

	General Fund 2023	HASP Fund 2023	Seed Library Fund 2023	**2023**	2022
Telephone	300	-	-	**300**	761
Meetings and conventions	267	-	-	**267**	641
Staff training	51	-	-	**51**	135
	60,809	-	-	**60,809**	58,721
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ 7,095	$ (813)	$ 12,899	**$ 19,181**	$ 21,246

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, 2023

	General Fund *Unrestricted*	HASP Fund *Restricted*	Seed Library Fund *Restricted*	**2023 Total**	2022 Total
NET ASSETS - BEGINNING OF YEAR	$ 65,624	$ 44,516	$ 73,373	**$ 183,513**	$ 162,266
Excess of revenue over expenses	7,096	(813)	12,899	**19,182**	21,247
Interfund transfer *(Note 6)*	3,647	(1,067)	(2,580)	**-**	-
NET ASSETS - END OF YEAR	$ 76,367	$ 42,636	$ 83,692	**$ 202,695**	$ 183,513

See notes to financial statements

SEEDS OF DIVERSITY CANADA - PROGRAMME SEMENCIER DU PATRIMOINE CANADA

Statement of Cash Flows

For the Year Ended July 31, 2023

	General Fund 2023	HASP Fund 2023	Seed Library Fund 2023	**Total 2023**	Total 2022
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenses	$ 7,095	$ (813)	$ 12,899	**$ 19,181**	$ 21,246
Changes in non-cash working capital:					
Accounts receivable	15,593	-	-	**15,593**	(25,900)
Inventory	(3,585)	-	-	**(3,585)**	(677)
Accounts payable and accrued liabilities	12,469	-	-	**12,469**	(9,035)
Deferred income	(3,807)	-	-	**(3,807)**	27,799
Prepaid expenditures	(18)	-	-	**(18)**	(29)
Harmonized sales tax payable	(123)	-	-	**(123)**	(881)
Due to (from) funds	9,252	1,067	(10,319)	**-**	-
Interfund transfers	3,647	(1,067)	(2,580)	**-**	-
	33,428	-	(12,899)	**20,529**	(8,723)
Cash flow from (used by) operating activities	40,523	(813)	-	**39,710**	12,523
INVESTING ACTIVITIES					
Purchase of marketable securities	(296,465)	(4,834)	-	**(301,299)**	(347,116)
Unrealized gain (loss)	176	1,999	-	**2,175**	6,478
Proceeds from sale of marketable securities	330,072	-	-	**330,072**	180,000
Gain (loss) from sales of marketable securities	(652)	-	-	**(652)**	417
	-	-	-	**-**	-
Cash flow from (used by) investing activities	33,131	(2,835)	-	**30,296**	(160,221)
INCREASE (DECREASE) IN CASH FLOW	73,654	(3,648)	-	**70,006**	(147,698)
Cash - beginning of year	49,663	13,454	-	**63,117**	210,815
CASH - END OF YEAR	$ 123,317	$ 9,806	$ -	**$ 133,123**	$ 63,117
CASH CONSISTS OF:					
Cash	$ 49,293	$ -	$ -	**$ 49,293**	$ 14,624
Investment cash balance	74,024	9,806	-	**83,830**	48,493

(continues)

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, 2023

	General Fund 2023	HASP Fund 2023	Seed Library Fund 2023	**Total 2023**	Total 2022
	$ 123,317	$ 9,806	$ -	**$ 133,123**	$ 63,117

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.

(continues)

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

		2023		2022
Ford Credit Canada Senior notes	**$**	**10,000**	$	-
CI Financial Corp SR unsecured		**9,986**		-
Coast Cap SAV FED CR UNION		**9,894**		-
Laurentian Bank of Canada SR Unsecured SER DPNT		**9,409**		-
George Weston Ltd.		**9,567**		9,629
Manulife Financial Corp		**8,883**		7,899
Canadian PAC KANS City ltd com		**8,680**		8,078
Royal Bank of Canada		**7,975**		6,493
Canadian National Railway		**7,832**		7,949
Canadian Imperial Bank of Commerce		**7,783**		8,681
Bank of Montreal		**7,720**		6,511
Toronto-Dominion Bank		**7,652**		7,320
Canadian Imperial Bank of Commerce		**6,853**		7,644
Bank of Nova Scotia		**6,574**		7,723
General Motors Fin Of CDA		**5,002**		-
Ford Credit Canada LTD		**4,953**		4,863
Brookfield PPTY Fin Inc 4.300%		**4,906**		4,875
Bank of Montreal		**4,779**		4,979
Province of Ontario Deb		**4,929**		-
Bank of Nova Scotia SR UNSEC Bail-In Note		**4,744**		-
Loblaw Companies Ltd		**4,680**		4,663
Bank of Nova Scotia		**4,382**		5,146
Telus Corporation		**3,945**		4,140
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
Brookfield PPTY Fin Inc 4.346%		**-**		4,955
	$	**161,128**	$	191,425
Cost	**$**	**159,384**	$	187,505

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.

	2023	2022
Balance, beginning of year	**$ 96,154**	$ 68,355
Add: deferred grant	**188,360**	93,975
Less: amount recognized as revenue in the year	**(192,167)**	(66,176)
Balance, end of year	**$ 92,347**	$ 96,154

6. INTERFUND TRANSFER

There were interfund transfers during the year to reallocate 20% of the Seed Library Fund revenue to the general fund ($2,580) and to reallocate 90% of the HASP investment income to the general fund ($1,067). 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

	2023	2022
Weston Family Foundation	**$ 95,560**	$ 66,000
Ontario Trillium Foundation	**42,600**	42,600
	$ 138,160	$ 108,600

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, 2023, are charges to inventory within the normal course of business, made throughout the year, of $5,340 (2022 - $7,583). 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, 2023.

(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.

(continues)

9. FINANCIAL INSTRUMENTS *(continued)*

(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.